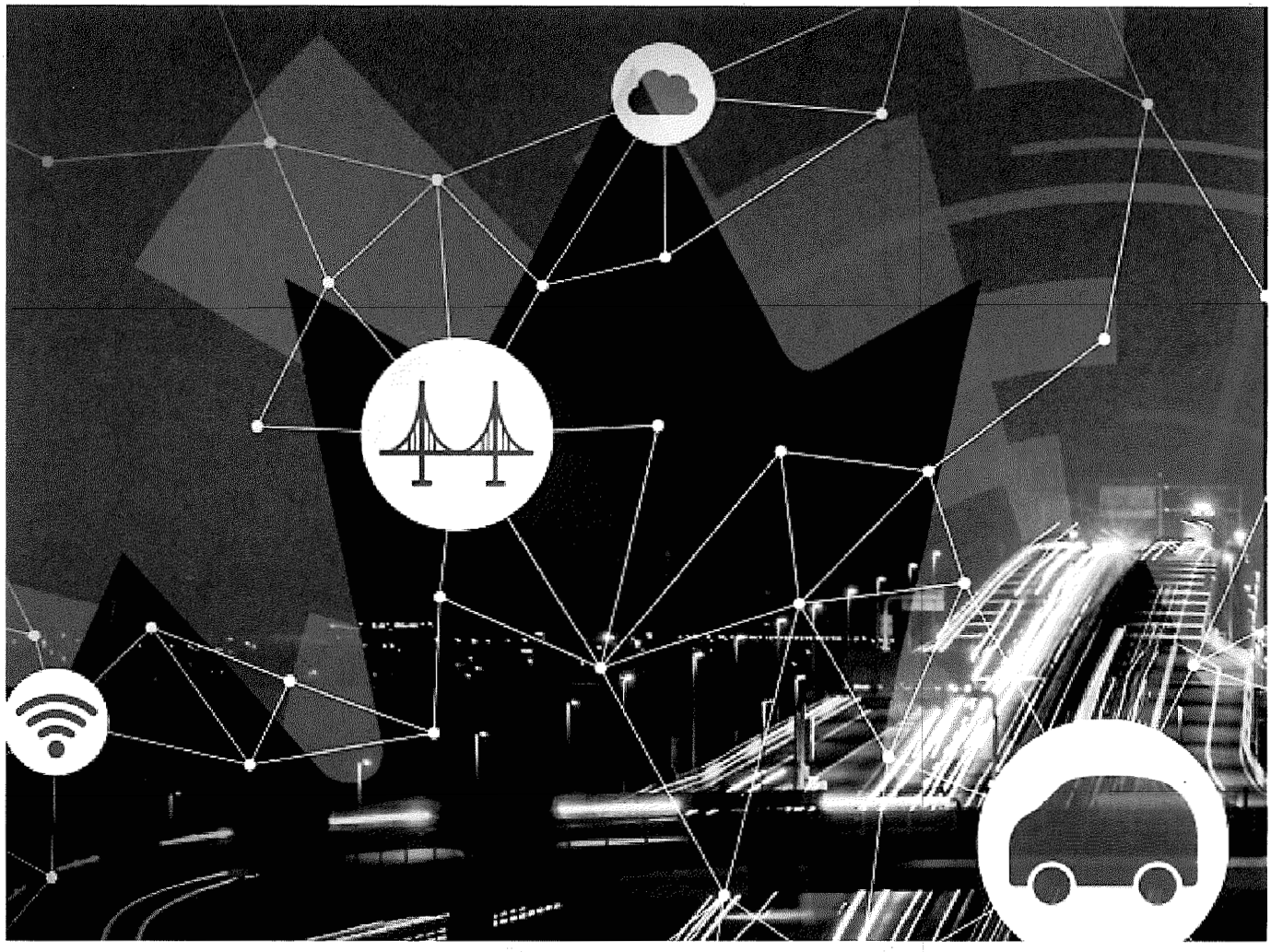
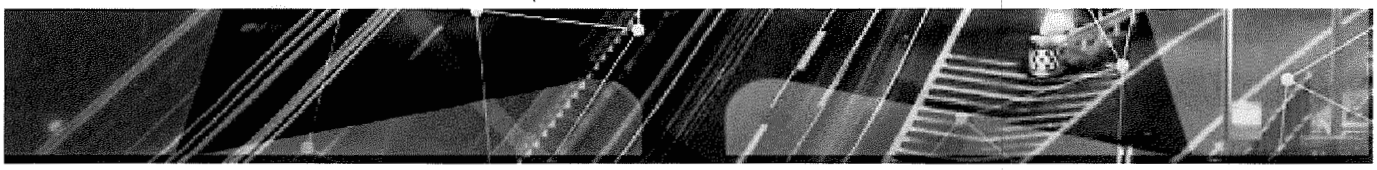


Background Binder for Minister of Rural Economic Development

January 15, 2019



Canada

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Page(s) 2 to 19
are under consultation

BACKGROUNDER

December 3, 2018

REGIONAL ECONOMIC GROWTH THROUGH INNOVATION

Context

Canada's regional development agencies (RDAs) are one of the four national innovation platforms identified in Budget 2018 to provide the customized support needed for Canadian businesses to succeed. Along with the Industrial Research Assistance Program, the Strategic Innovation Fund, and the Canadian Trade Commissioner Service, the RDAs support high-potential Canadian businesses by providing them with the resources, tools and knowledge they need to scale up and expand into new markets.

With the goals of advancing growth and innovation and of diversifying economies to build stronger and more innovative communities across Canada, the Government of Canada has refocused existing RDA innovation programming to place a greater emphasis on business scale up, productivity, and supporting regional innovation ecosystems. To this end, the RDAs are implementing the Regional Economic Growth through Innovation (REGI) program in alignment with the Government of Canada's national objectives, while ensuring that their funding programs are tailored to fit and benefit regional needs. The national scope of this program will ensure that innovative businesses are provided with consistent service and support across all regions.

Under REGI, investments by RDAs are being focused into two new program streams:

- **Business Scale-up and Productivity:** Investing in and supporting businesses at various stages of development, including high-growth firms, to accelerate their growth and assist them in scaling up, enhance their productivity and competitiveness in both domestic and global markets; and
- **Supporting Regional Innovation Ecosystems:** To create, grow and nurture inclusive regional ecosystems that support business needs and foster an entrepreneurial environment conducive to innovation, growth and competitiveness.

While REGI will focus on these two streams, RDAs will continue to support businesses and communities through existing programming to foster economic development opportunities and diversification in their regions.

Economic growth and the creation of good jobs for Canadians require innovation and the participation of our businesses and regions in tomorrow's economy. Canada's RDAs are fostering the growth and innovation of businesses and entrepreneurs:

- **By helping them knock on the right door** and by clarifying who is doing what within the Government of Canada to support innovation;
- **By further supporting innovative projects in the regions**;
- **By simplifying their access to innovation programs** through the creation of REGI with a consistent set of parameters across Canada; and
- **By offering support tailored to their needs**, taking into account the needs of the businesses and the specific contexts of each regions.

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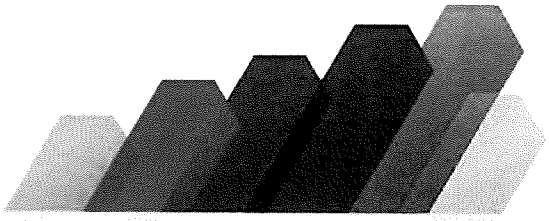
Additional Links

- Atlantic Canada Opportunities Agency (ACOA)
- Canada Economic Development for Quebec Regions (CED)
- Canadian Northern Economic Development Agency (CanNor)
- Federal Economic Development Agency for Southern Ontario (FedDev Ontario)
- Federal Economic Development Initiative for Northern Ontario (FedNor)
- Western Economic Diversification Canada (WD)

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REGIONAL ECONOMIC GROWTH
THROUGH INNOVATION

SIMPLIFYING THE EXPERIENCE OF BUSINESSES SEEKING ACCESS TO INNOVATION SUPPORT



Regional development agencies (RDA) play an important role in supporting Canada's Innovation and Skills Plan through the delivery of tailored programs, including the new Regional Economic Growth through Innovation (REGI) program, which foster the development of strong, dynamic and inclusive economies throughout the country.

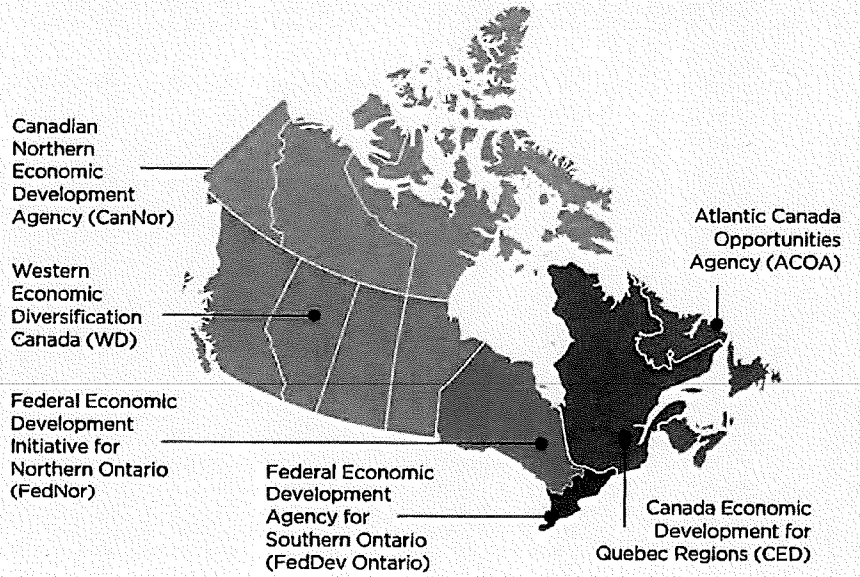
RDAs foster growth and innovation by:

- Understanding local needs and growing local economies
- Encouraging businesses to pursue innovative projects in all regions of Canada
- Offering tailored support
- Connecting entrepreneurs with federal programs to grow their businesses

ADVANTAGES OF THE NEW PROGRAM:

Programs	Program with two streams: Business Scale-up and Productivity/Regional Innovation Ecosystems*
Terms and Conditions	Common set of Terms and Conditions
Approach	Regionally tailored, nationally coordinated
Coordination	Alignment with other national platforms and programs
Responsibilities	Simplified innovation programming with enhanced continuum of support

* While REGI will focus on these two streams, RDAs will continue to support businesses and communities through existing programming to foster economic development opportunities and diversification in their regions.



CANADA.CA/REGIONAL-INNOVATION

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WOMEN ENTREPRENEURSHIP STRATEGY

QUESTION PERIOD RESPONSE

We believe that when women succeed, everyone succeeds.

Women's economic empowerment is not just the right thing to do, it's good for the bottom line.

The full and equal participation of women in the economy is essential to Canada's competitiveness.

Female entrepreneurs face unique barriers as they move along the business cycle. As a result, they own fewer than 16% of businesses and are underrepresented in our economy.

With Canada's first Women Entrepreneurship Strategy our government is investing $2 billion to help reach the goal of doubling the number of women-owned businesses by 2025 by increasing their access to financing, talent, networks, and expertise.

The Women Entrepreneurship Strategy complements our government's efforts to advance gender equality by addressing pay equity, introducing more affordable childcare and putting an end to gender-based violence.

With women's full participation in our economy we will produce more world-class businesses that can compete and win on the world stage, boost economic growth and create good middle-class jobs.

SUPPLEMENTARY MESSAGES

The full and equal participation of women in the economy is essential to Canada's competitiveness.

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The Women Entrepreneurship Strategy complements our government's efforts to advance gender equality.These efforts include addressing pay equity, introducing more affordable childcare and putting an end to gender-based violence.

In Budget 2018, the government announced the federal Women Entrepreneurship Strategy which will invest nearly $2 billion to help women start and grow their businesses.

It means more access to financing, talent, networks and expertise for women entrepreneurs from coast to coast to coast.

The Strategy will help us reach our goal of doubling the number of majority women-owned businesses by 2025.

BACKGROUND

Statistics:

- Fewer than 16% of SMEs are majority women-owned in Canada (*StatCan, Survey on Financing and Growth of Small and Medium Enterprises, 2017*).
- Women entrepreneurs face unique barriers: access to capital, large contracts and buyers, talent, networks, mentorship and expertise; different cost-benefit equation between entrepreneurship and unpaid care; and social and psychological biases (*Canada – US Council for Advancement of Women Entrepreneurs and Business Leaders, 2018*).
- In 2017, 8.3% of women in Canada were self-employed compared to 5.3% of women in the U.S. (*OECD, Self-employment rate indicator*).
- Women entrepreneurs are less likely to seek debt and equity financing. (*StatCan, Survey on Financing and Growth of Small and Medium Enterprises, 2017*).
- It is estimated that only 10% of SMEs who contract with the federal government are owned by women. We are launching a pilot to increase that number. (*Canadian Federal Procurement as a Policy Lever to Support Innovation and SME Growth, Orser et al., Telfer School of Management, 2017*)
- Only 11.2% of women-owned businesses export compared to 12.2% of male-owned (*StatCan, Survey on Financing and Growth of Small and Medium Enterprises, 2017*).
- Addressing women's economic empowerment has the potential to add $150 billion in incremental GDP to the Canadian economy by 2026 (*McKinsey Institute, 2017*).
- In 2016, Canada had the highest percentage of women participating in early-stage activity (13.3%) and the fifth highest in terms of female ownership of established businesses in innovation-based economies, ranking behind Greece (1st), Switzerland (2nd), Australia (3rd), and the U.S. (4th) (*Global Entrepreneurship Monitor Canada Report on Women's Entrepreneurship, 2016)*
- Canada ranks second behind the U.S. for countries assessed on their support of high impact women's entrepreneurship (*Global Woman Entrepreneur Leaders Scorecard Summary, 2015*)
- Canada ranks 16th out of 144 countries when it comes to equal pay (*WEF Global Gender Gap Report, 2017*).
- In 2017, women earned 88.1 cents on the dollar compared to men (*StatsCan, Employee wages by occupation).*

Overview: The Four Pillars of the Women Entrepreneurship Strategy

Nearly $2 billion to support women entrepreneurs through the WES:

- Pillar 1: Helping women-led businesses grow
  - This pillar includes a commitment of $105M/5Y for nationally coordinated, regionally tailored investment to help women entrepreneurs and support regional innovation ecosystems.
  - It introduces measures to increase the participation of small and medium-sized women-owned enterprises in federal procurement from 10% to at 15%.

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- The government is investing $10M/5Y to connect women with expanded export services and opportunities through the Business Women in International Trade Program.
- Additionally, the Business Development Bank of Canada (BDC) is coordinating a series of boot camps and delivering online learning to women entrepreneurs in fall/winter 2018-2019.

- Pillar 2: Increasing access to capital
  - BDC has committed to a new lending target of $1.4B/3Y in debt financing to women-owned businesses.
  - BDC has also increased its Women in Technology Venture Fund to $200M/5Y (up from $70 million), making it one of the largest funds of its kind worldwide.
  - The government will make available $250M/3Y, through Export Development Canada, to provide financing and insurance solutions, on commercial terms, for women-owned businesses that are exporting or looking to begin exporting.
  - Farm Credit Canada will also create and launch a new lending product in 2018–19, designed specifically for women entrepreneurs in agriculture.
  - The government's Venture Capital Catalyst Initiative, launched in December 2017 with the goal of injecting up to $1.5B into Canada's venture capital market, includes a strong focus on gender balance and diversity.

- Pillar 3: Improving access to federal business innovation programming
  - As part of federal business innovation program reform, the federal government will focus on improving the participation of underrepresented groups, including women entrepreneurs.

- Pillar 4: Enhancing data and knowledge
  - The Government of Canada is investing $9.5M/3Y to collect and share data and best practices for women entrepreneurs, including $8.6M/3Y to create a knowledge hub to help women entrepreneurs. On December 3, 2018, it was announced that Ryerson University, a leader in innovative, career-focused education and entrepreneurship, will spearhead the establishment of the Women Entrepreneurship Knowledge Hub. The consortium will draw on the expertise of all participants to help address the diversity of women entrepreneurs across Canada.

ISED portfolio

Women Entrepreneurship Strategy (WES)

- $105M/5 for a nationally-coordinated regionally-tailored investment to help women-owned businesses across the country grow and to strengthen the organizations that support them, including:
  - An investment of up to $85M/5Y for the WES Ecosystem Fund to help non-profit, third-party organizations deliver support for women entrepreneurs and address gaps in the ecosystem. The deadline to submit an application was November 22, 2018.
  - A commitment of up to $20M/2Y for the Women Entrepreneurship Fund to invest directly in women-led businesses to help them grow and reach new markets. The deadline to submit an application was November 15, 2018.
- Ryerson University, a leader in innovative, career-focused education and entrepreneurship, will spearhead the establishment of the Women Entrepreneurship Knowledge Hub (WEKH). The WEKH will serve as a one-stop source of knowledge, data and best practices for women entrepreneurs.
- BDC has set a new target of $1.4B/3Y in debt financing for women entrepreneurs.
- BDC has increased its Women in Technology Venture Fund to $200M/5Y (up from $70 million).
- Part of the broader objectives of Canada's $400 million Venture Capital Catalyst Initiative (VCCI) is to improve gender balance among Canadian VC fund managers and technology-based companies. All VCCI proposals were required to address this objective.
- The Government of Canada is striking an Expert Panel to provide expert advice on the WES, including identifying and providing options to solve gaps in services and supports available to women entrepreneurs in Canada.

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Other ISED Portfolio Initiatives (Outside of the WES)

- Innovative Solutions Canada (ISC) sees government departments allocate a portion of funding towards early-stage research and development, late-stage prototypes and other goods and services from Canadian innovators and entrepreneurs. To encourage inclusive growth, particular effort is being made to encourage procurement from companies led by women and other underrepresented groups.
- Budget 2018 proposes to publicly recognize corporations that are committed to promoting women, including minority women, to senior management positions and boards of directors. This follows the passing of Bill C-25, which will require publicly-traded companies that are incorporated under the Canada Business Corporations Act to provide information about the diversity of their boards and senior management teams, including their policies to support diversity.

Cross-Government Programs for Women:

- Encouraging shared domestic labour by offering additional weeks of EI when parents agree to share parental leave.
- Moving forward with legislation to address pay equity in federally regulated sectors and encouraging pay transparency by publishing their pay practices online.
- Building on Canada's Feminist International Assistance Policy.
- Introducing a new Gender Results Framework to guide future decision-making and to measure our progress in fostering an economy that works for everyone.
- Making parliament more parent and child friendly so that more women get involved in politics.
- Helping women enter the trades with Apprenticeship Incentive Grants for Women.
- Implementing Canada's first-ever National Housing Strategy which commits that at least 25% of investments will support projects that target women's housing needs such as, affordable housing for senior women, shelter space, and an annual Women's Housing Symposium.
- Enhancing the Canada Child Benefit to help with the cost of raising children.
- Creating 40,000 affordable child care spaces.
- Expanding Canada's Strategy to Address Gender-Based Violence.
- Developing a National Human Trafficking Hotline.
- Implementing Bill C-65 to address sexual harassment and violence in federally regulated sectors.
- Providing five days of paid leave to workers in federally regulated sectors who are victims of family violence.
- Addressing "unfounded" sexual assault cases by having the RCMP establish a national unit that will coordinate a review of the nearly 25,000 "unfounded" cases.
- Introducing a new Centre for Gender, Diversity and Inclusion Statistics, and an Indigenous Statistical Capacity Development Initiative to target the collection, use and tracking of gender and diversity data to enrich the understanding of social, economic, political, financial and environmental issues.

Supplemental Information

Releasing reports in 2017-18, the work of the Canada-United States Council for Advancement of Women Entrepreneurs and Business Leaders (Council)is focused on five key pillars: increasing the number of women in STEM; attracting women entrepreneurs and encouraging women to start businesses; supporting and growing women-owned businesses; increasing women's access to capital; and advancing women as leaders in the private sector. The Strategy is aligned with the intention and key recommendations identified by the Council.

MEDIA RELATIONS OFFICE

343-291-1777

PREPARATION AND APPROVALS

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GCDocs #11501099

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Atlantic Growth Strategy

Year 2 Report

Update to
Atlantic Canadians

July 2018

NOVA SCOTIA

New Nouveau Brunswick

Prince Edward Island

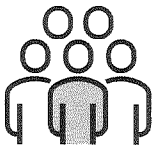
Newfoundland Labrador

Canada

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Since the launch of the Atlantic Growth Strategy, the governments of Canada and the Atlantic provinces have worked collaboratively to build a vibrant economic future for Atlantic Canada by focusing on five strategic priorities: skilled workforce and immigration, innovation, clean growth and climate change, trade and investment, and infrastructure.

Executive Summary of Year 2 Accomplishments



Between July 2017 and April 2018, the Atlantic economy created more than 16,000 jobs. Employment grew 1.5 per cent, better than the national average of 0.9 percent. During this period, almost 11,000 jobs were created in services-producing sectors, mainly in accommodation and food services, and over 5,000 in goods-producing sectors, mainly in the construction sector. Jobs created in Atlantic Canada during this period were full-time jobs, which grew by 2.4 per cent in the region, compared to 1.7 per cent nationally. Part-time jobs in the region have decreased by 2.9 per cent since July 2017. **The region has also welcomed over 9,000 permanent residents and their families in 2017 under economic programs.** With new dedicated support for businesses offered by the Atlantic Immigration Pilot, **regional employers made nearly 1,800 job offers since 2017 to fill job vacancies using the Pilot Program,** compared to over 250 job offers in the previous year. Through the Student Work Placement Program, a partnership between Venture for Canada, governments, post-secondary institutions and employers was created to provide more than 500 Canadian students across Atlantic Canada with valuable work experience and work-ready skills in business and entrepreneurial fields.





A new Ocean Supercluster, under development, will support growth of the ocean economy in Atlantic Canada and across the country. This initiative is projected to create more than 3,000 jobs and add more than $14 billion to Canada's economy over 10 years. **Enrolment in the Accelerated Growth Service nearly doubled** in the past year, with 29 new Atlantic Canadian high-growth companies signing up to receive customized support to grow their markets potential – increasing total enrolment in the service to 68 companies. **Through the Business Development Bank of Canada, more than $140 million has been invested** in innovative companies working



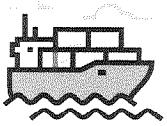
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in information and communication technology, agri-food, ocean technology and tourism. With new training tools developed by not-for-profits and governments, Atlantic Canadian companies can access more market intelligence and resources to better use data, as well as participate in workshops to create healthy business cultures.

The Atlantic Growth Strategy's initiatives are making companies and communities more sustainable and able to mitigate climate change. Initiatives under the Pan-Canadian Framework on Clean Growth and Climate Change support efforts to meet emissions reduction targets, grow the economy, and build resilience to a changing climate. **These initiatives include $185 million allocated to Atlantic Canadian provinces through the Low Carbon Economy Leadership Fund and the creation of the new Clean Growth Hub, launched in January 2018, which has already helped 30 Atlantic Canadian companies to access federal clean technology programs,** funding and services. Innovative projects such as smart electricity grids in the City of Summerside and the University of New Brunswick are demonstrating new ways to improve energy efficiency, reduce costs and improve reliability of energy sources.



$185 MILLION



$30 BILLION

Trade and tourism are a vital part of the Atlantic Canadian economy and both have experienced growth over the past few years. There were nearly 70 more exporters in our region in 2017 compared to 2016[1]. **Exports from Atlantic Canada were valued at $30 billion in 2017, an increase of 16 per cent between 2016 and 2017[2].** Since the launch of the Atlantic Trade and Investment Growth Strategy in July 2017, partners have been organizing pan-Atlantic initiatives dedicated to international market engagement, **including 17 trade missions involving more than 300 participants to countries like China, Europe and the United States.**

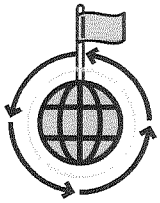


17 TRADE MISSIONS



PAN-ATLANTIC TOURISM

Tourism, meanwhile, is estimated to contribute more than $5 billion annually to the Atlantic Canadian economy. **A new pan-Atlantic tourism approach,** also announced in July 2017, provides new tools for hundreds of exporters in the tourism industry and **promotes the region as a world-class tourism destination.** This approach includes the region's largest ever media campaign in China, which builds on the 2018 Canada-China Year of Tourism. Indigenous tourism experiences offer a unique opportunity to showcase and share the rich history, culture and tradition of communities across the East Coast. **An Atlantic chapter of the Indigenous Tourism Association of Canada was created,** which creates a framework for future development in the region.

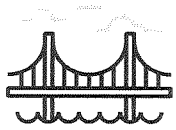


WORLD-CLASS TOURISM DESTINATION



INDIGENOUS TOURISM ASSOCIATION

The federal government, along with the four provincial governments is supporting the region's infrastructure in an effort to foster long-term economic growth and make communities more inclusive. In July 2017, the Government of Canada announced that over **$2.4 billion would be allocated through the Investing in Canada Infrastructure Program to the Atlantic provinces over the next decade for infrastructure projects,** a record level of investment. Funding will be provided through integrated bilateral agreements between Infrastructure Canada and each province. This funding builds on $339 million for short-term investments to maintain and repair local infrastructure through Phase 1 of the Investing in Canada Plan, outlined in last year's report.



$2.4 BILLION

More than 130 communities across two Atlantic provinces will benefit from upwards of $66 million invested through the federal Connect to Innovate and provincial funding programs, with further investments expected throughout 2018. In addition, the Connecting Canadians Program completed eight of thirteen projects across Atlantic Canada. **These projects will help Atlantic Canadians take advantage of the opportunities afforded by the digital age.**



ENHANCED BROADBAND ACCESS

The Atlantic Growth Strategy's accomplishments have required a high level of collaboration from all partners, coordinated and targeted investments and a clear vision for Atlantic Canada. Through the Strategy, the governments of Canada and the Atlantic provinces are committed to keep working collaboratively to advance common priorities for the long-term benefit of the Atlantic economy, including on broadband, skills and immigration in the near-term.

[1] Statistics Canada's Trade by Exporter Characteristics: Goods program counts the number of establishments exporting goods only. Certain export establishments, such as those shipping products to another company prior to export, may not be included.

[2] The value of Atlantic exports is from Innovation, Science and Economic Development Canada's Trade Data Online and captures the value of the exports of goods only.

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What is the Atlantic Growth Strategy?

The Atlantic Growth Strategy is about accelerating the growth of Atlantic Canada's economy. It was launched in July 2016 by the Government of Canada and the governments of Newfoundland and Labrador (NL), Nova Scotia (NS), Prince Edward Island (PEI) and New Brunswick (NB) to create good-paying middle class jobs, strengthen local communities, and grow innovative, world-class companies in the region.

The Strategy is results-focused, pan-Atlantic, collaborative, and reflects the priorities of the four Atlantic provinces and the Government of Canada. As it enters its third year, the Atlantic Growth Strategy continues to prove its value as a collaborative forum to align opportunities for economic growth in the region in an inclusive and sustainable way.

The Atlantic Growth Strategy is led by a Leadership Committee, made up of federal ministers from Atlantic Canada and the four provincial Premiers, who established a Two-Year Action Plan in July 2016 to guide short and medium-term collaborative actions. The Leadership Committee met in July 2016 (PEI), January 2017 (NS), July 2017 (NL) and February 2018 (NB). Each meeting served to reinforce the strategy and its collaborative approach, as well as to build on successes through pan-Atlantic actions.

A report on results to Atlantic Canadians was released in July 2017, and provided an overview of key accomplishments following the first year of the Strategy and outlined longer-term outcomes. This year's report provides an update on ongoing and new measures for the second year of the Strategy.

For the past two years, the Atlantic Growth Strategy has fueled economic growth in Atlantic Canada by providing businesses with the tools they need to increase exports to global markets, grow traditional industries vital to the region's communities, and attract and retain skilled workers.

This strong federal-provincial collaboration has delivered results and created stable, well-paying jobs for Atlantic Canadians. The governments of Canada and the Atlantic provinces are committed to keep working collaboratively. Near-term priorities include support for enhanced broadband, skills development and immigration.

Our work will continue to be informed by consultations and expert opinions, including the national Economic Strategy Tables and the Atlantic Growth Advisory Group. The Atlantic Growth Strategy serves as a model for other regional growth strategies across the country.

What are our Goals?

The Atlantic Growth Strategy drives sustainable economic growth through strategic initiatives and investments in five key areas:

- Attract and retain a **Skilled Workforce and Immigrants**
- Foster greater business Innovation, drive leading-edge technology, and generate new breakthrough ideas
- Respond to Climate Change and advance Clean Growth in Atlantic Canada
- Create long-term growth and high quality jobs through **Trade, Investment, and Tourism**
- Support growth, engage and connect people through **Infrastructure**

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Why is this Strategy a Priority?

Atlantic Canada is home to great ideas, great products, great innovators, and a strong drive to succeed. Harnessing these assets and competing in a rapidly changing global environment are key to achieving sustained economic growth in Atlantic Canada.

As outlined in the Atlantic Growth Advisory Group report, a growth strategy for Atlantic Canada must address both economic and population growth. Our region's businesses must innovate, attract, develop and retain skilled workers, and must compete globally if they are to grow and create high-quality jobs for Atlantic Canadians. In addition, we must work together to help build inclusive communities where all people can participate and contribute to Atlantic Canada's economy.

What have we done so far?

Strong federal-provincial collaboration is the hallmark of the Atlantic Growth Strategy as it continues to help create stable, good-paying jobs for Atlantic Canadians. The Strategy helps provide businesses with the tools they need to increase exports, innovate in traditional industries vital to the region's communities, as well as attract and retain skilled workers.

Thanks to the Atlantic Growth Strategy's initiatives to date, a strong foundation has been laid to enable established industries like agriculture, agri-food, fisheries, aquaculture and tourism - as well as emerging industries like clean technology - to innovate and successfully compete in global markets. At the same time, small- and medium-sized businesses are getting the support they need to capitalize on new technologies, attract skilled workers, scale up operations and pursue new export opportunities.

We are also deepening our understanding of the issues facing the region through consultations, best practices and research, including the final report from the Atlantic Growth Advisory Group. The Advisory Group provided their strategic advice and recommendations to help guide the region's collaborative approaches and actions moving forward. New collaborative work has been identified in important areas such as broadband, Indigenous tourism and the development of an export accelerator to help small and medium enterprises access the essential skills, competencies and connections they need to compete on the global stage. Using these tools, the governments of Canada and the Atlantic provinces are tailoring their approaches to maximize benefits for the region.

Together these actions have helped the Strategy's longer-term outcomes for each of the five strategic priorities for the region.

Since the July 2017 report on results, the Atlantic Growth Strategy has made progress on the following priorities:

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SKILLED WORKFORCE AND IMMIGRATION



Longer-Term Outcome:

Admit up to 7,000 additional newcomers to the region by 2020

We are seeing positive results under the three-year Atlantic Immigration Pilot

This federal and provincial pilot program is helping to attract and retain skilled workers and international graduates in Atlantic Canada. All partners have worked diligently to promote the pilot across the region with more than 700 outreach activities completed, targeting a variety of audiences. Since the Pilot began accepting applications in March 2017, more Atlantic employers are seeing the potential of immigration to fill labour market needs that cannot be met locally. Atlantic employers have made nearly 1,800 job offers to applicants under the Atlantic Intermediate-Skilled Program, the Atlantic High-Skilled Program, and the Atlantic International Graduate Program to fill job vacancies. That's a considerable increase from the 250 job offers made at this time last year.

Immigration, Refugees and Citizenship Canada launched the Dedicated Service Channel

Since July 2017, designated employers under the Atlantic Immigration Pilot are receiving personalized support from the Dedicated Service Channel in navigating the process of hiring foreign talent as well as receiving tips and associated guidance on strategies for success following recruitment. More than 200 employers are currently benefitting from these services.

We increased support to Settlement Service Provider Organizations

Settlement Service Provider Organizations have provided more than 2,100 needs assessments and settlement plans to the Atlantic Immigration Pilot's principal applicants and their accompanying family members in an effort to help families settle in communities across the Atlantic region.

We are promoting the region as a destination of choice for international students and graduates

The Atlantic provincial governments, with support from the Atlantic Canada Opportunities Agency (ACOA), are expanding the model of EduNova's Study and Stay Program throughout the region to attract and retain international students. The model is being adapted to meet the specific needs of each province and complement existing service offerings. EduNova's Study and Stay program attracted close to 50 international students from China, India and the Philippines and is helping integrate them into their communities and transition to the workforce.

We are providing youth with work integrated learning opportunities

In Atlantic Canada, a $4.4 million partnership was announced with Venture for Canada, in collaboration with post-secondary institutions and employers, to provide 505 Canadian students across the region with valuable work experience and work-ready skills in business and entrepreneurial fields. Students who participate in these opportunities develop technical and work-ready skills sought after by employers; they are more likely to benefit from greater employment opportunities, be employed in fields more closely related to their studies, and receive higher earnings.

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We are helping address skill shortages

Led by the Council of Atlantic Premiers' Atlantic Workforce Partnership and supported by Employment and Social Development Canada, the Atlantic Apprenticeship Harmonization Project (AAHP) is helping increase apprenticeship completion rates and keeping apprentices in Atlantic Canada. To date, the AAHP has enabled the harmonization of 10 trade occupations and the development and implementation of a new common information technology (IT) system to track apprenticeship certification. By February 2019, an additional six trades will be harmonized and the IT system will be completed. Once completed, provinces will begin to migrate information from their current IT systems to the new platform. In total, 16 Red Seal trades will be harmonized across Atlantic provinces, thanks to new federal and provincial investments. There are currently approximately 15,000 apprentices in Atlantic Canada and it is expected that all apprentices will be registered in the new IT system by 2020.

SKILLED WORKFORCE AND IMMIGRATION: REAL LIFE RESULTS

Metamaterial Technologies Inc. (NS) uses innovative technology and advanced manufacturing to develop smart protective materials. The company's Canadian workforce includes global talent representing 15 countries and speaking more than 20 different languages. Metamaterial Technologies is using the Atlantic Immigration Pilot to hire highly skilled experts from around the world. The company is also part of the Accelerated Growth Service and housed at Innovacorp, a Nova Scotia business incubator and accelerator.
"Metamaterials are a relatively new scientific field and the work we are doing in laser protection has never been done before. These are exciting times for science and this funding will help us as we move to the next stage of growth, allowing us to advance our manufacturing capacity to produce these new smart material products."
Dr. George Palikaras, Founder and CEO, Metamaterial Technologies Inc.

Somru Bioscience (PEI) is a biotechnology company founded in 2012 that develops antibody technology to accelerate the drug development process. The company's vice-president and co-founder, Mohammed Moin, immigrated to PEI on a student visa in 2000. The company currently exports to more than 20 countries and is in the midst of a major expansion. A new joint venture for a diagnostic laboratory in Bangladesh is expected to generate $50 million in export sales over the next five years and add 100 new employees to the company's PEI operations. Somru is hiring two senior scientists using the Atlantic Immigration Pilot Program to augment local recruiting.

The New Conversations Tour (NB), organized by the New Brunswick Multicultural Council, is a series of 15 community events with two prominent New Brunswick economists. The New Conversations Tour was established to promote awareness of emerging shortages of skilled workers. It is also designed to facilitate more inclusive communities by providing the impetus for discussions on how to attract and keep workers. Events engage local stakeholders in discussions of labour force trends in New Brunswick and the critical need to address population decline through retention, repatriation, and immigration. The events have gathered more than 1,200 individuals so far.

The Association for New Canadians (NL) helps employers and newcomers and their families through the Atlantic Immigration Pilot Program's designation, endorsement and post-arrival processes. Increased settlement services in rural regions will support economic growth, as well as improve retention rates and address persistent and emerging labour market needs. More than $1.2 million was invested in this initiative by the Government of Canada and the Province of Newfoundland and Labrador.
"We have a very close relationship with the (provincial) Office of Immigration and Multiculturalism as well as with Immigration, Refugees and Citizenship Canada. We want to help both governments make Atlantic Canada a destination of choice for newcomers and immigrants, and make them comfortable by letting them know that they can set up roots here in the province, and that we will be there to help them make a go of it."
Kip Bonnell, Association for New Canadians

"A number of our employees do come through an immigration process. The AIP has been a benefit in a number of ways for us. Having support at the provincial and the federal levels for permanent residency has been great. Diversity is something that we value here. We seek out opportunities to look at things differently, to approach things in a different way and diversity really allows us to do that." **Marcia Snow,** Citco

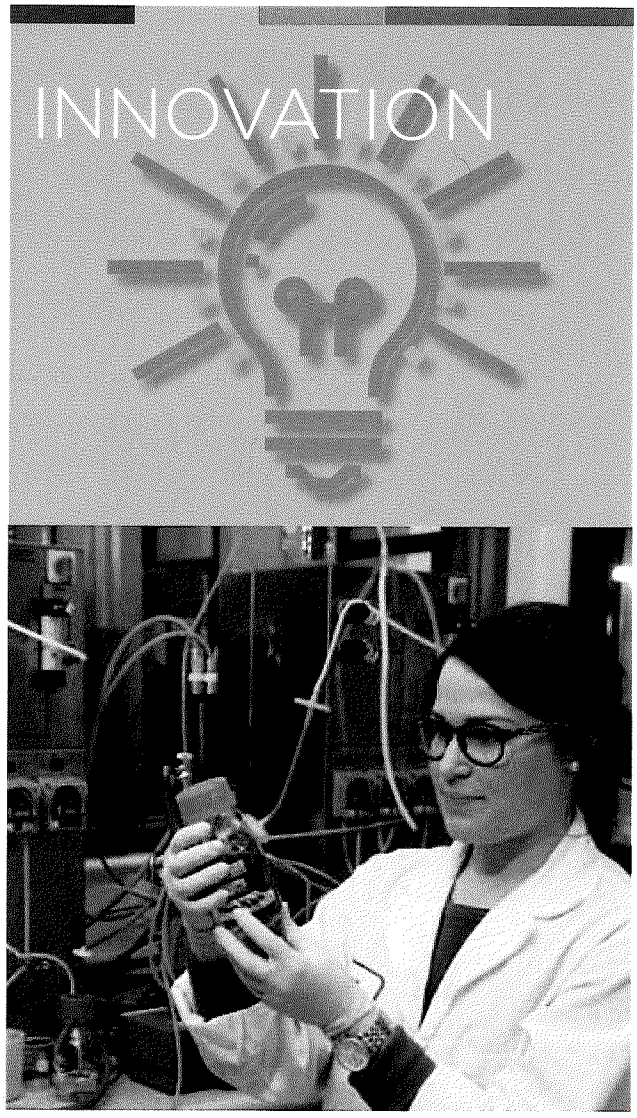
"Without the AIP, there would be no potential growth for us here. I would absolutely recommend the AIP to other employers, because finding skilled workers in many industries in Canada is getting more difficult and it is a way for our nation to grow its economic development. Without immigration it seems like a lot of industries are going to find challenges in getting new employees."
Mike Albert, Cirrus Garments

"I am so pleased that I was told about IRCC's Dedicated Service Channel. My account manager has been instrumental in helping me understand the confusing aspects of hiring foreign workers. I frequently call or email him, and he's always friendly and answers my questions in a timely fashion. Knowing I can reach my account manager at any time, with any question or concern is a big relief for me and my employees." **Shaun McBride,** The Learning Bar

"We support newcomers by making sure that we work out a settlement plan with them based on their needs. Then we supply the employers with that settlement plan. We're also there for the follow up, so if the employer calls with questions or situations that they're not quite sure how to deal with, we can provide them with some advice and assistance." **Craig Mackie,** PEI Association for Newcomers to Canada

"I would absolutely recommend the AIP to other employers."
Mike Albert, Cirrus Garments, Saint John, NB

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Longer-Term Outcome:

Double the number of high-growth firms in Atlantic Canada by 2025

We are promoting innovation, technology adoption and advanced manufacturing

With support from partners, Atlantic Canadian companies are investing in advanced equipment, in part to cope with a tightening labour supply. This trend supports productivity improvement and greater export competitiveness.

We are supporting regional clusters of innovation

In February 2018, the Ocean Supercluster, led by the Atlantic region, was successful in its bid under ISED's Innovative Supercluster Initiative. This initiative will leverage the combined strengths of the industries operating in Canada's oceans. It is projected that this supercluster will create more than 3,000 jobs and add more than $14 billion to Canada's gross domestic product over 10 years. Governments, industries and stakeholders in Atlantic Canada continue to find ways to enhance collaboration in strategic sectors of our economy, including oceans, food and our clean technology companies.

We are enhancing the Accelerated Growth Service in Atlantic Canada

This service provides customized support in areas such as financing, exporting and advisory and innovation services to Atlantic companies with high-growth potential. The Atlantic provinces and the Government of Canada signed an agreement to enhance collaboration and create a more streamlined process for companies. Between July 2017 and July 2018, 29 new Atlantic Canadian companies signed up for the service – nearly double the number that had signed up in the previous year. The total enrolment of 68 companies exceeds the region's target of 60 companies after two years. Ninety companies are expected to go through the service by 2019.

We are helping business incubators and accelerators launch and grow new start-ups

Atlantic Canadian firms drive innovation activity in the region to promote long-term economic growth. There are more than 400 start-ups across the region, an increase of nearly 60 percent since 2014. A number of regional incubators and accelerators are supporting this dynamic start-up culture. In an effort to grow employment and revenues, partners are developing a new strategy that builds on success factors and identifies investment priorities.

We are supporting research and innovation in areas such as biosciences, aquaculture, ocean technology, renewable energy, fisheries, agriculture and forestry

Complementing the Atlantic Growth Strategy, entrepreneurs in Atlantic Canada received more than $140 million in financing in the first year of a two-year $280 million financing package. This package, launched by the Business Development Bank of Canada (BDC), aims to assist the region's small and mid-sized businesses pursuing growth in information and communication technology, agri-food, ocean technology and tourism. BDC's $280 million financing commitment for Atlantic Canada represented a $100 million increase in the bank's normal lending volume for the targeted industries.

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We are investing more than $400 million through the Atlantic Fisheries Fund to strengthen our fish and seafood sector

Open for applications since August 2017, the Atlantic Fisheries Fund is helping advance a more sustainable and prosperous fish and seafood sector focused on innovation, infrastructure and science partnerships. This fund is driving innovation in Atlantic Canada's fish and seafood sector to better meet market demands for sustainably sourced, high quality fish and seafood products, and to address the challenges posed by changing oceanographic conditions.

We are finding new ways to support Atlantic Canada's food sector

Through a federal-provincial working group on food, the governments of Canada and the Atlantic provinces are working with industry to identify ways to leverage strategic opportunities in our region's food sector. The region is ripe with opportunities to share its high quality and sustainable goods with the country and the rest of the world.

We are building awareness of the potential of big data analytics

We trained 100 federal and provincial staff on big data analytics, which will help staff work with clients to identify opportunities for the use of data analytics in their businesses. These opportunities could include enhancing productivity, making better decisions and/or developing new products and markets. This training will also help staff to refer clients to the appropriate support services for their big data analytics projects. As a result of this work, 15 Atlantic companies to date have been linked to the National Research Council Data Analytics Centre.

We are working with stakeholders to determine the cultural dimensions of success

Our partners have conducted an in-depth analysis of business culture and organized an intensive Innovation Lab with business leaders and other key representatives from government, academia and the not-for-profit community. These insights will help tailor our support for Atlantic businesses. We explored attitudes, behaviours and perceptions that affect business growth, innovation and productivity in Atlantic Canada.

We are encouraging opportunities for youth to learn digital skills

The CanCode Program will invest $50 million across Canada over two years to support initiatives providing opportunities for coding and digital skills development to Canadian youth from kindergarten to grade 12, including $2 million for two Atlantic-led projects. The program helps students and teachers acquire skills and knowledge through coding and digital skills experiences.

INNOVATION: REAL LIFE RESULTS

VoltaCohort (NS), launched by Volta Labs in conjunction with ACOA, BDC and Innovacorp, is a two-year pilot program that was created to help early stage, high calibre companies from across Atlantic Canada find investment. The program has already awarded $250,000 to ten start-ups through its two competitions in November 2017 and May 2018, where 31 start-ups presented their companies for funding. The winners of VoltaCohort's most recent competition included Sydney's Talem Health Analytics and UAV Control Tower of St. John's.

"Together with our partners, we look forward to helping these early-stage companies grow and succeed from their home base in Atlantic Canada."
Jesse Rodgers, CEO, Volta Labs

LuminUltra (NB) is a clean tech solutions company that expanded and modernized its operations in order to accommodate recent rapid growth, along with an anticipated increase in sales volume and research and development projects. This includes the acquisition of new lab equipment as well as leasehold improvements.

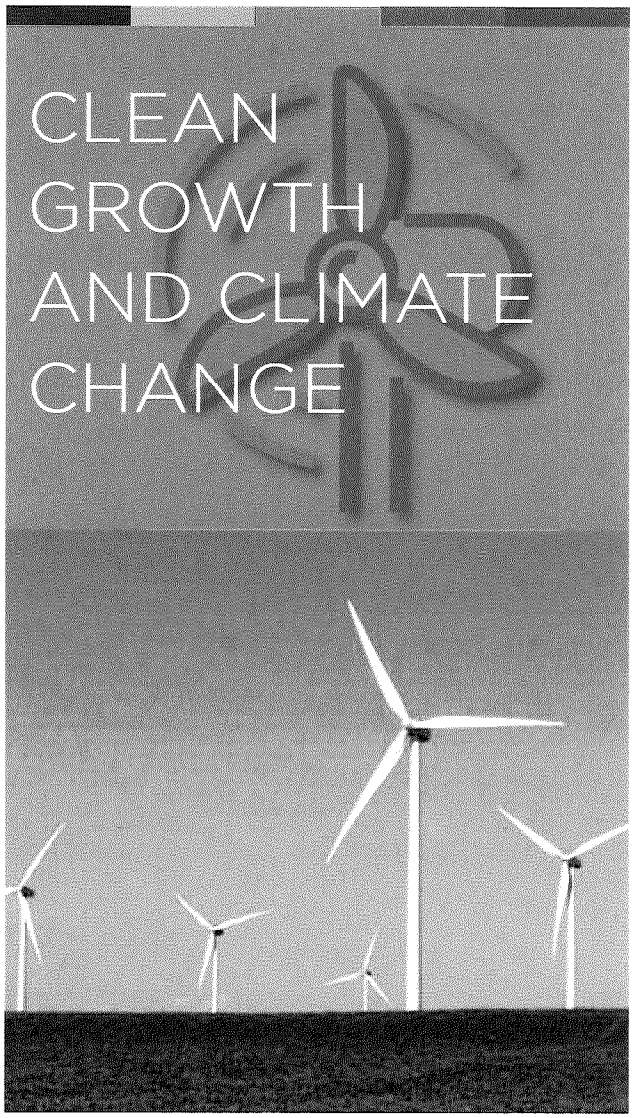
Superior Glove Works Limited (NL) manufactures more than 3,000 styles of work gloves and sleeves with applications in aerospace, agriculture, automotive, construction and other sectors. The growing demand in export markets was driving the need to increase production, which was addressed through the company's participation in the Accelerated Growth Service.

"Our industry is considered commodity based. Our company competes with low-cost countries like China and India. We know we won't have the lowest price going in, so we have to add value and innovate." **Tony Geng,** President, Superior Glove Works

Rollo Bay Holdings (PEI) is the largest agriculture entity in Eastern PEI specializing in red, yellow and russet potatoes for consumer and food service industries. The company is one of the first in North America to invest in specialized advanced manufacturing equipment and technology to improve output, efficiency and reduce waste. Rollo Bay is still employing the same number of people but the jobs are now more technical, translating into better pay and improved retention rates. The company is part of the Accelerated Growth Service.

VoltaCohort competitions led by Volta Labs of Halifax, Nova Scotia, have led to **$250,000 in strategic investments for 10 early-stage high-calibre Atlantic Canadian start-ups** to fuel their growth and success.

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Longer-Term Outcome: Reduce GHG emissions

We covered a lot of ground since launching the Pan-Canadian Framework on Clean Growth and Climate Change

The Pan-Canadian Framework outlines more than 50 concrete measures to reduce greenhouse gas emissions, help the region adapt and become more resilient to the impacts of a changing climate, foster clean technology solutions, and create good jobs that contribute to a stronger economy. In its first year of implementation, federal, provincial and territorial governments have made good progress in starting to put the framework into action. Work is underway to ensure that carbon pricing systems are in place across Canada by January 1, 2019. Governments are also implementing new policies, programs and regulations to reduce emissions in every sector of the economy, support communities in adapting to a changing climate, and invest in clean technologies.

We are investing more than $185 million in Atlantic Canada through the Low Carbon Economy Leadership Fund

Nova Scotia and New Brunswick have each leveraged at least $50 million in federal funding to support energy efficiency upgrades in buildings across their provinces. In particular, programming in both provinces is being expanded to allow homeowners who heat their homes with fuel oil to access funding for home retrofits. In Prince Edward Island and Newfoundland and Labrador, several significant opportunities, including energy efficiency retrofits for communities and businesses to support clean growth and reduce their greenhouse gas emissions, will be funded with support from the Low Carbon Economy Leadership Fund.

We are investing in Electric Vehicle Charging Infrastructure, across Canada

For example in 2017, the federal government provided $1.6 million for the installation of electric vehicle fast charging stations in New Brunswick and Nova Scotia, through phase 1 of the Electric Vehicle and Alternative Fuel Infrastructure Deployment initiative.

We are serving companies and other stakeholders through the Clean Growth Hub

The newly created Clean Growth Hub is connecting Atlantic-based companies and other stakeholders to the various supports for clean technology across government. So far, more than 500 companies and industry stakeholders have worked with the Hub, including 30 Atlantic Canadian organizations working to advance their clean technologies. In addition to the Hub, Sustainable Development Technology Canada, which provides funding for Canadian clean technology projects, also has a presence in Atlantic Canada to provide expertise in the fields of sustainable development, finance and technology investment to help Atlantic Canadian companies move their ground-breaking technologies to market.

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We are continuing to advance work on regional electricity grids and renewable power generation

Natural Resources Canada (NRCan), working together with the governments of the four Atlantic provinces, their respective electric utilities, and the Atlantic Canada Opportunities Agency, finalized an initial study under the Regional Electricity Cooperation and Strategic Infrastructure initiative that identifies the most promising electricity infrastructure projects that can reduce greenhouse gas emissions in Atlantic Canada. The study identifies reinforcement of the Nova Scotia-New Brunswick transmission intertie as a foundational project for transitioning Atlantic Canada to clean electricity. NRCan is currently working with the governments of Nova Scotia and New Brunswick and their electric utilities to assess the costs and benefits of the project in two jurisdictions, with a view toward accelerating the development of this important infrastructure project.

We are protecting Atlantic Canada's forests from the damaging effects of a spruce budworm outbreak

Through Budget 2018, the Government of Canada proposed to take action alongside the Governments of New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, as well as the forest industry, by providing up to $74 million over four years and $750,000 ongoing, to prevent the spread of spruce budworm and the associated socio-economic and environmental impacts of an outbreak. Co-sponsored by the Atlantic Canada Opportunities Agency, Phase II of the Early Intervention Strategy for Spruce Budworm research program supports the Pan Canadian Framework on Clean Growth and Climate Change, as tree mortality caused by an outbreak will negatively affect greenhouse gas emission reduction efforts. Preventing an outbreak and protecting Atlantic Canada's forest resource will also ensure that forestry remains a vital driver of the region's economy and a source of jobs and opportunities.

CLEAN GROWTH AND CLIMATE CHANGE: REAL LIFE RESULTS

The City of Summerside (PEI), with support from partners including Samsung Canada, has integrated wind, solar and battery power with smart grids to improve energy efficiency, reduce costs and improve reliability, while reducing dependence on traditional sources of energy such as diesel and heating oil. In 2015, Summerside achieved the highest level of wind power integration in North America, and PEI was the first North American jurisdiction to generate more than 30 per cent of its electricity from wind energy.

CarbonCure Technologies Inc. (NS) retrofits concrete plants with a technology that reuses waste carbon dioxide in the concrete manufacturing process to improve the concrete's quality, lower costs and reduce its carbon footprint. CarbonCure was initially incubated at Innovacorp and has since leveraged additional federal and provincial government programs.

The University of New Brunswick continues to work on its **Smart Grid Research** project, in partnership with Siemens Canada and supported by Emera and the federal government. The goal is to integrate Smart Grid technology into the electrical system and build Canada's first fully integrated energy internet, enabling communications between customers and their homes, power plants and distribution systems.

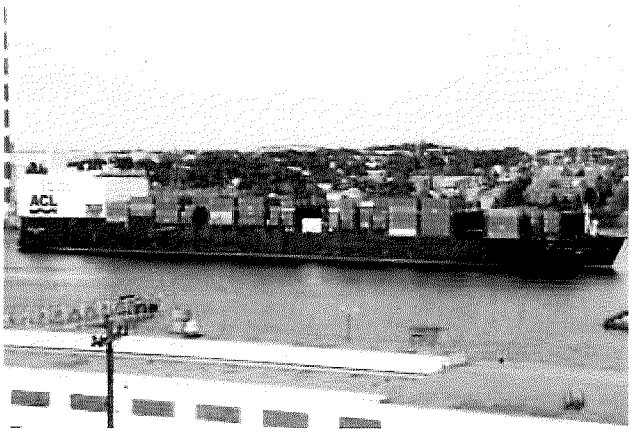
"We're excited to support innovation-focused research towards creating a 100% clean electricity supply. We believe the kind of technology being developed at UNB will play a critical role in making it possible for 100% renewable energy to be affordable and reliable to serve our customers in the future." **Chris Huskilson,** President & CEO, Emera Inc.

Seaformatics (NL) is a clean technology company working to advance and commercialize its new microturbine charging device, an innovative product that harnesses renewable energy in the form of flowing water and wind to power and recharge stand-alone devices. Leveraging significant university-based research and development in its turbine technology, the company seeks to provide a clean renewable charging technology to outdoor enthusiasts, such as backcountry campers, canoers, kayakers and cyclists.

The City of Summerside, Prince Edward Island, has **integrated wind, solar and battery power with smart grids to improve energy efficiency, reduce costs and improve reliability,** while reducing dependence on traditional sources of energy such as diesel and heating oil.

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TRADE AND INVESTMENT



Longer-Term Outcome:
Double the number of exporters in Atlantic Canada by 2025

We are implementing the multi-year, international Atlantic Trade and Investment Growth Strategy, supported by a $20 million funding agreement

The Atlantic Trade and Investment Growth Strategy, announced in July 2017, supports joint trade and investment initiatives that are coordinated, firm-focused, and built on the region's sector capabilities and capacity. Since 2017, pan-Atlantic initiatives (in addition to bilateral and unilateral initiatives) dedicated to international market engagements included 17 trade missions, involving more than 300 participants.

We are growing awareness of export opportunities to Europe

The recent Canada-European Union Comprehensive Economic and Trade Agreement is creating significant opportunities for our region. To prepare for these opportunities, we organized two multi-sector trade missions to the European Union with Atlantic Canadian companies in June and November 2017. These trade missions resulted in more than 139 qualified sales leads and 63 potential sales deals reported by participants. Partners also held a Canada-Europe Trade Agreement Roadshow to generate awareness of the European market. These sessions drew in approximately 320 business participants from across all four Atlantic provinces.

We are providing the tools to support our current and future exporters

LearnSphere's bilingual Export Market Access Program (EMAP) and E-Tools for Exporting (E for E), which saw investments of $3 million, help firms develop and expand their sales to international markets. As of April 30, 2018, these programs provided support for nearly 130 companies and almost half of them were new exporters. LearnSphere will help more than 180 companies across Atlantic Canada reach their export goals by the end of 2018 through the EMAP and E for E programs.

We are preparing an Atlantic Growth Strategy joint trade mission to China

China is Canada's second largest trading partner after the United States. This multi-sectoral trade and investment mission will take place in November 2018. It will support Atlantic Canadian businesses and organizations in the food, clean growth, education and tourism sectors that are looking to create new partnerships and build business-to-business relationships in China. It will also capitalize on the 2018 Canada-China Year of Tourism.

We hosted Rendez-Vous Canada, Canada's premier international tourism marketplace

Held in Halifax, Nova Scotia over four days, it brought together more than 1,900 tourism professionals to promote or discover unique Canadian experiences, particularly those showcasing national priority products such as Indigenous and culinary tourism. The event has the potential for hundreds of millions of dollars in revenue for Canadian tourism businesses and was supported by the new Atlantic Canada Tourism Strategy, announced in July 2017.

We are implementing a strategic and collaborative approach to tourism

The strategy includes $24.5 million in federal-provincial-industry investments for three initiatives aimed at positioning Atlantic Canada as a top destination in the global tourism sector, creating more jobs for Atlantic Canadians and giving a boost to small businesses. More than 120 Atlantic Canada tourism stakeholders

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were trained through the Atlantic Growth Strategy Travel Trade Market Readiness Program with a series of webinars and workshops on how to work with international travel trade. The Tourism International Market Expansion Program is supporting the Government of Canada's target of doubling Chinese visitation to Canada by 2021.

We are supporting Indigenous tourism in Atlantic Canada

The Atlantic chapter of the Indigenous Tourism Association of Canada was created in June 2017 to build a framework for future development in the region. We are also supporting the development of tourism strategies and products in communities which wish to pursue tourism as an economic driver. For example, a delegation of Nova Scotia First Nations participated in Edge of the Wedge in November 2017, Canada's premier experiential travel training program led by the Gros Morne Institute of Sustainable Tourism. The program is hosted at Gros Morne National Park in Newfoundland and Labrador, a leading center of expertise in experiential tourism.

We continue to implement the Collaborative Procurement Initiative across all four Atlantic Provinces with over 20 Municipalities, Academic Institutions and School Boards now participating in Atlantic Canada

The initiative enables partners, including provincial governments, municipalities, academic institutions, school boards, and hospitals, to leverage Public Services and Procurement Canada's federal instruments and buying power to procure goods and services to obtain better value for money. With over $200 billion spent annually on public procurement in Canada, this initiative provides opportunities to save taxpayers' money, negotiate better terms and conditions, reduce administrative costs, simplify processes, make it easier for businesses to sell to multiple levels of government, and to expand their market. In addition to reducing costs, federal procurement instruments help to support the use of clean and sustainable goods and services. So far, Nova Scotia and Prince Edward Island have been able to save more than 30 per cent on the cost of emergency radios and environmental office paper when using federal tools, while negotiating better terms and conditions from suppliers. For example, a locally owned business (Covey Basics) is providing office supplies to the Province of Prince Edward Island who is receiving better value. With the introduction of a Canadian Collaborative Procurement Plan in December 2017, more of these success stories are expected.

TRADE AND INVESTMENT: REAL LIFE RESULTS

Grow Export (Atlantic) was developed in consultation with ACOA, Global Affairs Canada and the four Atlantic provinces as a comprehensive export readiness training program to support the growth of new exporters from Atlantic Canada. Through diagnostics, training, mentorship and export market exposure, this program will help equip Atlantic Canadian companies with the entrepreneurial skills and knowledge needed to succeed in export markets.

The Tourism International Market Expansion (TIME) (Atlantic) launched Atlantic Canada's largest media campaign ever in the Chinese market. Digital and social media was purchased to promote Atlantic Canada to potential Chinese visitors. The TIME program, through its China Readiness initiative, trained 95 Atlantic Canadian tourism stake-holders on how to work with, host and welcome Chinese tourists, in anticipation of a growing number of Chinese visitors during the 2018 Canada-China Year of Tourism and in future years.

Amalgamated Dairies Limited (PEI) employs 285 people and produces a broad array of dairy products with annual sales of $175 M per year. These products service both the retail and industrial markets across Canada and export markets such as the United States. In recent years, significant investments have been made to modernize the plants in Charlottetown and Summerside allowing ADL to improve product quality and lower its carbon footprint.
"Government support will provide ADL the ability to adapt to the new realities in the Canadian dairy industry and invest in the infrastructure and innovation that are needed to grow and diversify our business into the future." **Jim Bradley,** CEO, Amalgamated Dairies Limited

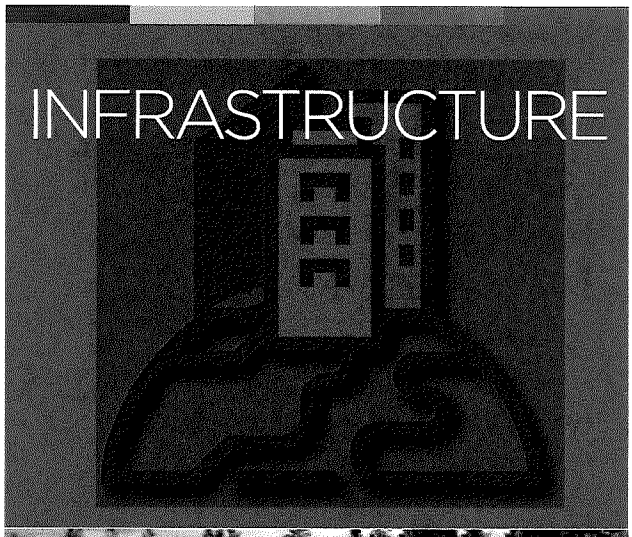
Gidney Fisheries Limited (NS) is a lobster processing company that has undertaken a capital expansion that has allowed it to scale operations to deploy high-pressure lobster processing equipment. To assist with market access to complement this high-end innovative processing initiative, the company met international buyers from Europe by participating in Seafood Expo Global (SEG), a key initiative supported under the Atlantic Trade and Investment Growth Strategy. More importantly, this market engagement confirmed that the company had made the right capital investment and validated the long-term market for their high-pressure processed product. This initial positive response has played a major role in the successful launch of their product.

Rutter Inc. (NL), through its Sigma S6 Oil Spill Detection technology, provides early and accurate oil spill detection and reporting. The technology combines the company's proven strength in early detection with tools that generate essential information about oil volume, thickness, deformation and drift. Sigma S6 is installed on fixed platforms, floating production and storage offloading units, offshore workboats, patrol vessels and specialty clean up vessels. Users can be found in Brazil, the North Sea, Gulf of Mexico, China, Russia and Eastern Canada. The company participates in the Accelerated Growth Service and has benefited from support to reach new markets around the world.

G.E. Barbours Inc. (NB) is a multi-product food processor based in Sussex, New Brunswick. As an Accelerated Growth Service client, the company has benefitted from a collaborative approach resulting in investments in advanced manufacturing equipment to increase production capacity and efficiency and to expand product lines, further enabling it to diversify into new markets. Recently, the 150 year old company seized the opportunity to gain further international market access by meeting with international buyers while participating at SIAL Canada, an international food show that was a key initiative supported under the Atlantic Trade and Investment Growth Strategy. G.E. Barbours currently reports a significant increase in anticipated export sales with strong potential to break into the European market.

95 Atlantic Canadian tourism stakeholders took part in TIME's China Readiness initiative to help prepare a great experience for Chinese visitors during the 2018 Canada-China Year of Tourism – and beyond.

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Longer-Term Outcome:
Bring rural and remote areas online by 2025

We are building better infrastructure in Atlantic Canada that will support growth, and engage and connect people

Building on nearly $339 million from Budget 2016 for short-term investments to maintain and repair local infrastructure in the region, the Atlantic provinces will see more than $2.4 billion over the next decade for infrastructure projects. In addition, 28 municipalities across Atlantic Canada applied to the Smart Cities Challenge. These municipalities proposed innovative solutions addressing local issues by leveraging new partnerships, data and connected technology. The Saint Mary's First Nation, the City of Fredericton and the Town of Bridgewater are among the 20 Smart Cities Challenge finalists. Additional opportunities to spur innovation will be offered by the Canada Infrastructure Bank, to help build projects based on public-private sector partnerships.

We are helping enhance broadband access across the region

Together, the Atlantic provinces and the Government of Canada announced total investments of more than $66 million through the federal Connect to Innovate and provincial funding programs in two Atlantic provinces. More than 130 communities will benefit from these announcements, which are expected to continue throughout 2018. In addition, the Connecting Canadians Program completed eight of thirteen projects across Atlantic Canada. These projects will help residents connect with family and friends, do business online, participate in distance education and take advantage of the opportunities afforded by the digital age.

We are enhancing and modernizing research and commercialization facilities

The Post-Secondary Institutions Strategic Investment Fund is supporting 27 projects in Atlantic Canada, with a $152.5 million federal investment, to enhance and modernize facilities for research, commercialization and training at post-secondary institutions.

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INFRASTRUCTURE: REAL LIFE RESULTS

The construction of the **Core Science Facility** at Memorial University of Newfoundland in St. John's (NL) will create an integrated learning and research environment that fosters inventive scientific thinking and practices.

"This state-of-the-art Core Science Facility will enable us to deliver on our commitment to the people of this province to provide excellence in teaching and learning, research and public engagement."

Dr. Gary Kachanoski, President and Vice-chancellor, Memorial University of Newfoundland

The replacement of the **Cascumpec Bridge** in Alberton (PEI) will improve driver safety and connect farms and wharves to markets.

The construction of the **Greater Saint John Field House** in Saint John (NB) will provide residents with year-round access to sporting activities and allow the region to welcome larger-scale sporting events.

The launch of **COVE, the Centre for Ocean Ventures & Entrepreneurship** (NS), will provide collaborative spaces for applied innovation in the ocean sector. This includes shared equipment, workshops, machine shop and marine services, wharves, direct ocean access, incubation space and programming, and a "Startup Yard" incubator for new ocean technology companies.

The new, state-of-the-art Core Science Facility at Memorial University of Newfoundland in St. John's, Newfoundland and Labrador, will **amplify the university's capacity** to "provide excellence in teaching and learning, research and public engagement."

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2016-2018 Results at a glance



Note: Data from Statistics Canada and other national surveys are used to measure long-term progress. Some data may be a few years old due to survey frequency.

[3] A high-growth enterprise is an enterprise with average annualized growth greater than 20 percent per annum over a three-year period. That is, the total growth for the previous three years must be greater than 72.8 percent. The growth can be measured by the number of employees or by revenue. High-growth enterprises are required to have at least 10 employees at the start of the three-year period and are required to be at least four years old.

[4] New baseline for high-growth firms by revenue (2015)

[5] Statistics Canada's Trade by Exporter Characteristics: Goods program counts the number of establishments exporting goods only. Certain export establishments, such as those shipping products to another company prior to export, may not be included.

[6] The value of Atlantic exports is from Innovation, Science and Economic Development Canada's Trade Data Online and captures the value of the exports of goods only.

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What are the Longer-term Outcomes?

The Atlantic Growth Strategy is ambitious and the investments and actions being undertaken today are laying the groundwork for growth and prosperity in the future. By leveraging partnerships and resources, the Government of Canada and the four Atlantic provinces are targeting key opportunities for growth, guided by longer-term outcomes outlined in the first annual report. These strategic goals will take time to achieve but the foundational work and early successes of the Atlantic Growth Strategy support long-term success. This year's report provides an update on progress against these long-term outcomes for the region.

Skilled Workforce and Immigration: Admit up to 7,000 additional newcomers in the region by 2020
Efforts aim to recruit and retain skilled workers and international graduates to meet la bour market needs. There are a number of immigration pathways available for new-comers to come to Atlantic Canada that feed into the Strategy's longer term outcomes for immigration in the region. In 2017, more than 11,000 permanent residents arrived in the region under several programs. Of those, over 9,000 were economic immigrants. Additionally, more than 26,000 temporary work and study permits were issued during this same time.

The Atlantic Immigration Pilot is an additional economic immigration pathway available for skilled immigrants and international graduates who fill meet specific labour market demands in the Atlantic region. Under the Atlantic Immigration Pilot, there were up to 2,000 spaces available in the first year of the pilot. Over the life cycle of the pilot, there is space for up to 7,000 newcomers to arrive in the region by 2020 to respond to labour market and demographic needs.

Innovation: Double the number of high-growth firms in Atlantic Canada by 2025
High-growth firms are key drivers of Canada's economic growth and long-term prosperity. These companies, which can be measured according to their annual revenue or by the number of people they employ, tend to have a greater impact in Atlantic Canada than in the rest of the country, as they are twice as likely to innovate and to invest in advanced processes and skills development. They also generally export more than the average Canadian business.

The number of high-growth firms based on employment is growing. In 2015, there were 350 high growth firms by employment, up from 340 firms in 2014. These firms have averaged 20 per cent or more growth per year in their number of employees in the past three years. The baseline for this outcome has been updated from 310 to 340 high growth firms in 2014 to encompass all economic sectors in the region[7].

In 2015, there were 790 high-growth firms based on revenue. They had a total growth in revenue greater than 70 per cent for the three previous years. The baseline for this outcome is new and will be reported on by federal regional development agencies across Canada going forward.

Clean Growth and Climate Change: Reduce GHG emissions
We are addressing climate change and protecting our environment. The Pan-Canadian Framework on Clean Growth and Climate Change includes a pan-Canadian approach to pricing carbon pollution, as well as new policies, programs and regulations to reduce emissions in every sector of the economy, putting Canada on the path to meet our national greenhouse gas emissions reduction target of 30 per cent below 2005 levels by 2030. Progress towards these goals includes launching the Low Carbon Economy Fund, and working with provinces and territories to develop their respective carbon pricing systems and other related actions.

Trade and Investment: Double the number of exporters in Atlantic Canada by 2025
The number of exporting establishments in the Atlantic region is growing. According to Statistics Canada, there were 2,263 exporting establishments in 2017, up from 2,198 in 2016[8]. The baseline for this outcome has been revised from 2,000 to 2,205 exporting establishments in 2015 for methodological purposes[9].

In 2017, the value of Atlantic Canadian exports was nearly $30 billion, up from $26 billion in 2016[10]. While the majority of exporters focus on a single market, the United States being the largest destination for exports, 28 per cent had more than one market for their goods and services in 2017, up from 27 per cent in 2016. The value of foreign direct investment in Atlantic Canada is also growing, valued at $360 million in 2016 compared to $208 million in 2015.

Infrastructure: Bring rural and remote areas online by 2025
Across Canada, we are working towards a long-term target of having all Canadians online by 2025. Expanding access to fast and reliable broadband in rural and remote areas is an important aspect of these efforts through federal programs such as the $500 million Connect to Innovate program and the $2 billion Rural and Northern Communities Infrastructure Stream of the Investing in Canada Infrastructure Program. Coupled with provincial commitments to support broadband infrastructure in all four Atlantic provinces, continued strategic federal and provincial investments in the Atlantic region will improve access, help spur innovation, advance competitiveness and build a better economic future.

As a result of these efforts, the number of Atlantic Canadians with broadband access in all four provinces continues to increase. In 2016, the percentage of households with an internet connection in Atlantic Canada was 86 per cent (86% in NB, 87% in NS, 85% in PEI and 87% in NL), up from 84 per cent in 2015, and 82 per cent in 2014[11].

[7] The previous baseline for high growth firms by employment was based on a limited set of economic sectors and excluded primary industries such as agriculture. This baseline has since been revised to 340 in 2014 to reflect the latest publicly available data and including all sectors.
[8] Statistics Canada's Trade by Exporter Characteristics: Goods program counts the number of establishments exporting goods only. Certain export establishments, such as those shipping products to another company prior to export, may not be included.
[9] The previous baseline for exporting establishment was set at 2,000. This baseline has since been revised to 2,205 to reflect changes to how exporting establishments are counted at the national level. This new methodology will be used going forward.
[10] The value of Atlantic exports is from Innovation, Science and Economic Development Canada's Trade Data Online and captures the value of the exports of goods only.
[11] 2014 is the national baseline year for broadband connectivity.

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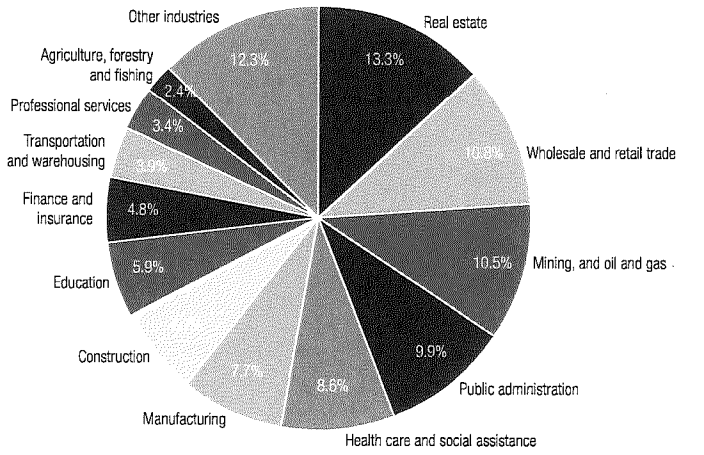
Trends We Are Following

In order to measure the Atlantic region's progress, it is vital to keep an eye on economic trends. Tracking growth in the value of goods and services produced in Atlantic Canada, as well as employment and demographic shifts, is crucial to gauging the Atlantic Growth Strategy's success.

Growth in the value of goods and services

Gross Domestic Product (GDP), which measures the value of goods and services produced, is a key indicator of economic health. It can also be used to show the economic contributions of sectors or industries. For example, the graph below compares the main industries in Atlantic Canada in 2017.

Main Industries in Atlantic Canada, by Percentage of Total GDP, 2017 (Statistics Canada)

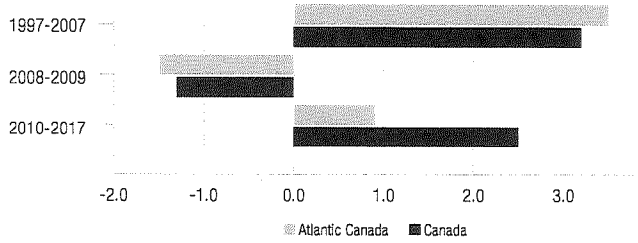


Source: Statistics Canada. Table 379-0030 - Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories, annual (dollars) (accessed: May 08, 2018)

The Atlantic Canadian economy has undergone significant transformation over the past two decades. While tourism, agriculture, fishing, forestry, and associated manufacturing activities remain important (particularly in rural areas), sectors such as mining, oil and gas, as well as information and communication technologies, have continued to drive economic growth since 2000. The chart above outlines key sectors of the Atlantic Canadian economy, in percentage of total gross domestic product (GDP).

Notably, real GDP per capita in Atlantic Canada rose to 81 per cent of the national level in 2017, up from 76 per cent in 2000. The region's real GDP grew by more than 1.5 per cent from 2016 to 2017, compared to nearly 3.5 per cent nationally.

Real GDP Growth in Atlantic Canada and Canada, as an Annual Average, 1997-2017 (Statistics Canada)

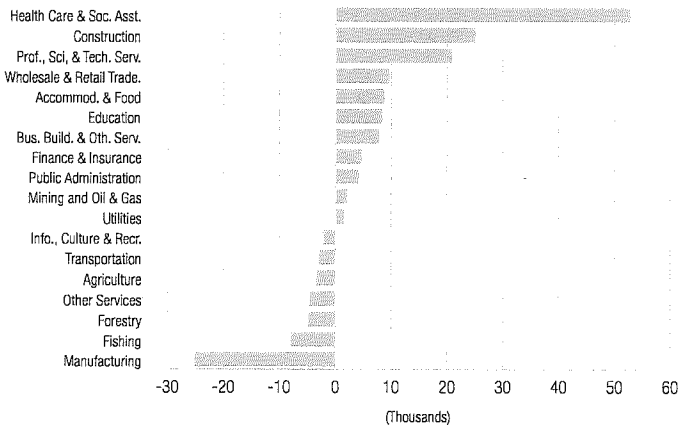


Source: Statistics Canada. Table 379-0031 - Gross domestic product (GDP) at basic prices, by North Amer Industry Classification System (NAICS), monthly (dollars) (accessed: April 25, 2018)

Employment by sector

Employment data, like GDP, shows how the economy is changing. In Atlantic Canada, the long-term trend has been moving towards service-sector jobs, and away from resource-based industries. The main sectors of growth between 2000 and 2017 include health care and social assistance and construction with approximately 53,000 and 25,000 new jobs created during this period, respectively.

Net Employment Change in Atlantic Canada, 2000-2017 (Statistics Canada)



Source: Statistics Canada. Table 282-0008 - Labour Force Survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual (persons unless otherwise noted) (accessed: April 25, 2018)

A more recent snapshot shows strong job growth since the last report on results. Between July 2017 and April 2018, the Atlantic economy created over 16,000 jobs and employment grew 1.5 per cent, surpassing the national average of 0.9 per cent. During this period, almost 11,000 jobs were created in services-producing

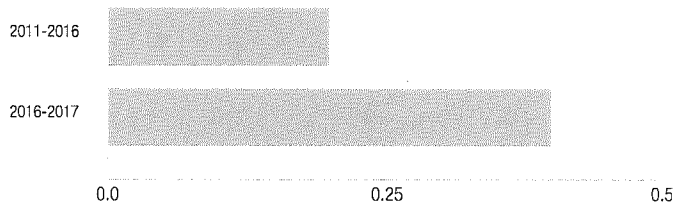
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sectors, mainly in accommodation and food services, and over 5,000 in goods-producing sectors, mainly in the construction sector. Jobs created in Atlantic Canada during this period were full-time jobs, which grew by 2.4 per cent in the region, compared to 1.7 per cent nationally. Part-time jobs in the region have decreased by 2.9 per cent since July 2017.

Demographics

People, skills and ideas are fundamental to economic growth. However, Atlantic Canada's population is generally older than the rest of Canada, and is growing more slowly. Atlantic Canada is also losing workers to other parts of the country. These challenges are top of mind partly to find ways to attract people to the region to replace workers who are retiring or moving away. From 2011 to 2016, population in Atlantic Canada has grown by 0.2 per cent according to Census data. From 2016 to 2017, population growth was estimated to be 0.4 per cent across the region.

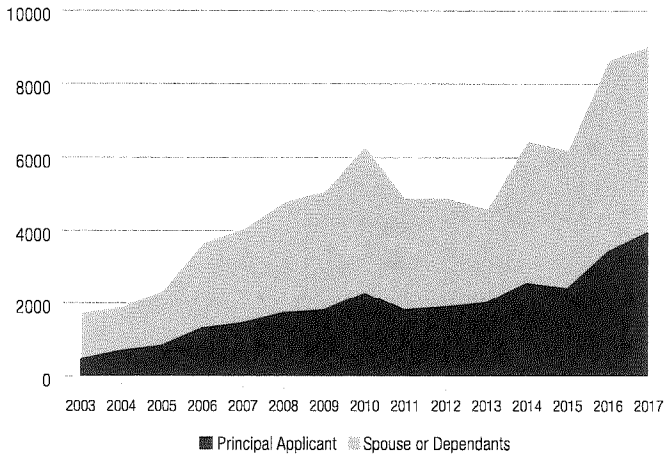
Population Growth in Atlantic Canada, as a Percentage Change (Statistics Canada)



Source: Census used for 2011 to 2016, Population Estimates used for 2016-2017

One way to increase the Atlantic Canadian population is to attract new permanent residents. Immigrants to Atlantic Canada bring new skills, ideas and ways of doing business. As shown below, admissions of permanent residents to Atlantic Canada have increased by almost 630 per cent since 2003. Between 2016 and 2017, the number of admissions increased from more than 8,600 to over 9,000. However, retaining newcomers who land in Atlantic Canada continues to be a challenge.

Admissions of Permanent Residents as Economic Immigrants Indicating Atlantic Canada as Intended Destination, 2003-2017



Source: IRCC, March 31, 2018

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Federal Strategy on Innovation and Growth for the Quebec Regions

The Federal Strategy on Innovation and Growth for the Quebec Regions is a collaborative economic development approach within the Government of Canada. Its goal is to support innovation and entrepreneurial drive through concrete actions aligned with shared priorities for action.

CED is leading the development of this Federal Strategy in Quebec. We are working closely with the other federal stakeholders to identify initiatives and actions that will contribute to the Strategy's objectives as they develop or materialize.

Foundations

The Strategy combines the Government of Canada's directions with needs expressed on the ground. A number of targeted actions that are central to the Strategy were identified during the consultations with economic development players.

The Strategy has identified four priorities and 14 targeted actions to drive innovation and inclusive growth for all Quebec regions:



Innovation and Clean Tech

Support regional clusters, incubators and accelerators

Support development and adoption of ground-breaking clean technologies

Support disruptive technologies and their adoption



Growth and Exports

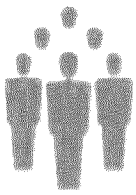
Support digitalization and automation of businesses

Increase the number of exporters, export revenues and access to markets

Enhance knowledge of large contracts and facilitate entry into value chains

Attract international investments through a favourable business environment

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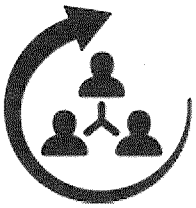


Entrepreneurial Talent

Promote and attract qualified entrepreneurs

Develop skills and talents to foster clean tech and digital skills in businesses

Promote skills development among underrepresented groups of entrepreneurs



Inclusive Growth in all Regions

Enhance regional assets through innovation and competitiveness

Support local entrepreneurship and social economy in rural and remote regions

Promote investments in regions renewable resources

Foster inclusive business transfer

The backgrounder available here introduces the eight first projects to be included in the Strategy. Other initiatives and projects by CED and its federal collaborators will be announced over the next three years.

CED will continue to support businesses and the regions with its regular programs across Quebec. The Strategy is providing us with directions so that we can more effectively target certain types of projects and maximize their impact on the long-term development of Quebec regions.

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Backgrounder – Federal Strategy on Innovation and Growth for the Quebec Regions

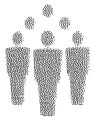
The Government of Canada has adopted an ambitious plan to support innovation and entrepreneurial drive through concrete initiatives to generate growth that benefits businesses and communities. The vitality of Quebec's economy depends on the strength of the province's industries and the specific characteristics of each of its regions.

This is why, in the presence of economic stakeholders and partners from all levels of government, the Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development and Minister responsible for Canada Economic Development for Quebec Regions (CED), accompanied by the Honourable Diane Lebouthillier, Member of Parliament for Gaspésie–Les Îles-de-la-Madeleine and Minister of National Revenue, introduced the Federal Strategy on Innovation and Growth for the Quebec regions.

CED is targeting four key priorities that were presented today and will form the pillars of this new Strategy. As an example, eight new projects targeting those new priorities were unveiled today. The financial support for these projects has been awarded through the Quebec Economic Development Program.

Priorities	First Projects	Support
 **Innovation and Clean Tech**	**StartAéro 360°** In collaboration with AéroMontréal Cluster **Goal:** Provide guidance for SMEs in the aerospace and related sectors (e.g. artificial intelligence, additive manufacturing, clean tech, virtual design) in establishing strategic partnerships and developing consolidated value propositions to enhance technology and innovation in Quebec's aerospace value chain.	$2.98M over 3 years
 **Growth and Exports**	**Office for the development of growing businesses** In collaboration with Réseau des femmes d'affaires du Québec	$200,000 over 2 years

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	Goal: Help majority women-owned businesses pursue business opportunities provided by supplier diversity programs	
 **Entrepreneurial Talent**	**Contest for young scholars in emerging sectors** In collaboration with Universities **Goal:** Foster the development of innovative start-ups by supporting projects by young engineering students or graduates.	$500,000 over 2 years
	Global Skills Strategy In collaboration with Immigration, Refugees and Citizenship Canada and Employment and Social Development Canada **Goal:** Identify innovative Quebec businesses that could access an adapted service mode facilitating the hiring of workers with key marketable skills.	Service and expertise
 **Growth for Everyone in all Regions**	**Small Business Support Initiative – Pilot project for women and Indigenous entrepreneurs** In collaboration with Réseau des SADC/CAE **Goal:** Help businesses owned by women and Indigenous people in rural areas increase their business activities.	$1.36M over one year
	Winter Tourism Initiative **Goal:** Promote winter tourism by supporting the acquisition of equipment to maintain snowmobile and cross-country ski trails.	$10M over 2 years

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	Increased support for Indigenous Business Growth **Goal:** Foster the participation of Indigenous people in Quebec's economic growth by supporting processing activities in certain traditional sectors or by authorizing non-repayable contributions for business activities, based on specific criteria	Ongoing
	Projects by the Mi'gmaq Maliseet Aboriginal Fisheries Management Association (MMAFMA) for the Mi'gmaq communities of Gespeg and Gesgapegiag, and the Maliseet of Viger In collaboration with Indigenous Services Canada; Fisheries and Oceans Canada; Employment and Social Development Canada; and Canada Economic Development for Quebec Regions **Goal:** To support the fishery-related economic and social development of the Mi'gmaq communities of Gespeg and Gesgapegiag, and the Maliseet of Viger, through the restoration of significant coastal habitats; productivity enhancement and the expansion of the SALAWEG line of food products; and ongoing training for Indigenous youth aboard the MMAFMA training ship.	$2.7M

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Prosperity and Growth Strategy for Northern Ontario

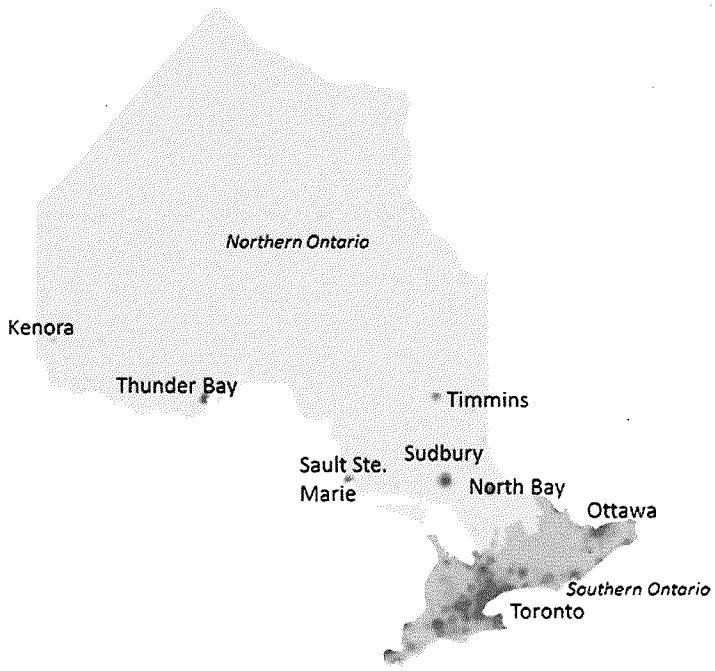
Introduction

Northern Ontario is a vast region with a small and scattered population. The growth of its economy has been slow relative to the rest of Ontario and Canada, and it has historically been dependant on primary sectors such as forestry and mining. These and other challenges facing the region are driving the need to become a more diverse and innovative economy.

The Prosperity and Growth Strategy for Northern Ontario is being developed to highlight growth opportunities as well as efforts to diversify the core economies of Northern Ontario communities.

Northern Ontario Overview

- Approx. 811,000 residents dispersed across almost 90% of Ontario's landmass
- One person per square km (vs. 118 in southern Ontario)
- Home to 150 municipalities
- Over half (54.5%) of population resides in five larger cities (excluding Kenora)
- 93% of municipalities have population less than 6,000; 74% have less than 2,000
- Northern Ontario is covered by seven treaties with First Nations



- Home to 105 of Ontario's 127 Indigenous communities, including 31 remote reserves; 25 are diesel dependent
- 92% of First Nation communities have fewer than 1,000 residents
- Northern Ontario's strong resource-based industries are key contributors to Ontario's economy

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Economic Overview

Diverse Resource-Based Economy

- Strong and well-developed mining, forestry, wood products, agri-food and tourism sectors
- Home to 34 of the province's 43 operating mines, and 29 of the 30 mines currently under development
- Ring of Fire resource potential valued at over $60 billion with high job creation potential (over 5,500 jobs)
- Contains three quarters of province's woodlands – provides most of Ontario's forest products
- Manufacturing mainly linked to resource sectors, including value-added product development
- Competitive land price advantage along with more than one million acres of unused agricultural land
- Significant land base offering a wide variety of tourism-based activities

Growing Clusters and Partnerships

- Ten post-secondary institutions (PSIs) aligned to region's economy supported by a network of innovative organizations across Northern Ontario, e.g. Health Sciences North Research Institute, Thunder Bay Regional Research Institute
- PSIs are key source of knowledge and innovation, and central to research and development (R&D) process and commercialization
- World class mining cluster, including Laurentian University's Metal Earth Research Program, Centre for Excellence in Mining Innovation (CEMI)'s Ultra-Deep Mining Network, and Living with Lakes Bio-Mediation Program
- Five expanding Regional Innovation Centres (RICs) provide entrepreneurship development and training expertise to small and medium-sized enterprises (SMEs), work together as the Northern Technology Alliance to grow innovation sector throughout the region

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Established Business Support Infrastructure and Partnerships

- Developed business networks such as Northern Ontario Angels, PARO Centre for Women's Enterprise, Canadian Manufacturers and Exporters (CME), FPInnovations

- Business development and growth services across region support entrepreneurs and exporters, including Community Futures Development Corporations (CFDCs), Business Development Bank of Canada (BDC), Ontario Small Business Enterprise Centres, and municipal economic development corporations

Federal-Provincial Engagement

- Collaboration and engagement between governments, First Nations, businesses and other stakeholders are essential and have been well established

- The similar mandates of FedNor and the province's Northern Ontario Heritage Fund Corporation (NOHFC) lend themselves to close collaboration that will continue to be an essential element in the pan-Northern approach to delivery of programs

- FedNor also works closely with other federal departments to maximize the effective delivery of their programs and services across Northern Ontario. Examples include FedNor collaboration with the Natural Sciences and Engineering Research Council of Canada (research and development, commercialization), Export Development Canada (manufacturing, exporting) and Natural Resources Canada (forestry, mining)

- Established formal collaboration continues on the Ring of Fire mining development opportunity, consisting of 14 federal departments and several provincial ministries jointly engaged in coordinating delivery efforts

Challenges

Geography/Demography

- Large number of small, rural and remote communities dispersed over a large territory

- Aging and declining population due to low birth rate and outmigration

- Lower education and employment levels compared to provincial levels

- Low level of immigration to Northern Ontario

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Economy

- Distinct economic regions, each with unique challenges
- Slow transformation away from on traditional resource economy in rural regions; limited diversification in five major centres
- Commodity markets facing global economic pressures (i.e. steel, minerals, softwood)
- Lowest gross domestic product (GDP) per capita ($38,318) among all regions in Canada
- Low labour force participation compared to other Canadian regions
- Anticipated skilled labour shortages resulting from work force/skills mismatch, population decline and outmigration

Infrastructure

- Communities lack required resources to attract business investments and expansions
- Per capita infrastructure expenditures for Northern municipalities above provincial average due to climate, large geography, small population and remoteness
- Limited telecom and broadband coverage impacting business attraction and expansion
- PSIs have limited financial resources to commercialize their R&D

Business Development

- Many small firms are isolated from larger clusters and professional networks, leading to limited corporate investments, influence and competitiveness
- Northern Ontario SMEs export less than Southern Ontario counterparts
- Higher cost of doing business, including energy, transportation and financing
- Smaller firms adopting Information and Communications Technologies (ICT) at slower rate than larger counterparts

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- Less business innovation activity in SMEs (36.6%) compared to Southern Ontario (44.9%) and Canada (41.6%)

Opportunities for Growth

Innovation and Clean Technology

- Businesses in traditional economic sectors, e.g. mining, forestry, agriculture and tourism, transitioning to become more knowledgeable and innovative in response to growing global demand

- Emerging demand for new resources, e.g. chromite, graphite, lithium and forest-based bio-products creating new economic opportunities

- Increasing R&D and use of technology to address health and well-being of rural and remote Indigenous communities

- Expanding innovation centres to facilitate innovation and address production and commercialization gaps in SMEs

- New green and clean technologies to support value-added forestry, mineral exploration, mine development and regional infrastructure

- Micro-grids[1] and green/clean energy generation opportunities for Indigenous communities across region

- Supporting advanced manufacturing and adopting new technologies to increase manufacturing activity

Entrepreneurship, Trade and Digital Economy

- Emerging economic sectors, e.g. bio-economy[2], life sciences, agriculture, renewable energy and aerospace with commercialization opportunities

- Developing new market-driven tourism products

- Adopting new Information and Communication Technology (ICT) systems to bridge geographic barriers

Building Stronger Communities

- Major transformative projects, e.g. Ring of Fire, multi-modal transportation[3], connectivity of remote Indigenous communities

- Expanding agricultural sector through crop diversification and attracting new farmers to region

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- Interprovincial trade agreements may create new and expanding business
- Emerging Indigenous entrepreneurship, workforce and regional networks, e.g. Indigenous Tourism Ontario and Indigenous Mining Centre of Excellence
- Growing Indigenous youth population has potential to help address skill shortages

Footnotes

Footnote 1

Micro-grid - a small network of electricity users with a local source of supply that is usually attached to a centralized national grid but is able to function independently.

Footnote2

Bioeconomy – Economic activity using basic materials derived from plant/crops or other natural renewable sources.

Footnote3

Multi-modal transportation – Using multiple types of interconnected transportation methods or systems.

Supporting the Innovation and Skills Plan

People

Goals:

To build a diverse, skilled and educated labour force that enables small and medium-size businesses to scale up and transform ideas into marketable products and services

Desired Outcomes:

Increased availability of targeted talents and skills in workforce; improved labour pool attraction and retention rates, including those of immigrants; increased number of businesses owned by women; increased participation of Indigenous people, women and other targeted groups where they are underrepresented; increased supports to stem youth outmigration and transition them into the innovation economy

Potential Priority Initiatives:

- Build on collaborations with relevant government agencies and stakeholders to advance initiatives that support businesses in attracting and retaining talent and developing new and innovative processes and technologies
- Facilitate international students' transition into local job markets where skill/knowledge gaps are identified

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- Ensure programs and supports are in place to encourage women's entrepreneurship

- Collaborate with relevant government agencies and stakeholders to advance participation of Indigenous peoples into workforce

Technology

Goals:

To promote the adoption of advanced technologies so that businesses and communities can increase their competitiveness, attract talent and expand into new markets

Desired Outcomes:

Access to and increased adoption of technologies; expanded innovation ecosystem; increased research and development collaboration and investments; diversified economy and revitalized traditional industries

Potential Priority Initiatives:

- Expand regional innovation ecosystem through support for incubators, accelerators, networks and access to capital

- Increase support for private sector research and development, technology adoption and development of related skills

- Develop a strategic approach in support of development, commercialization and adoption of clean technologies through collaboration with relevant government agencies and stakeholders

- Collaborate with provincial and federal governments to invest in micro-grids and green and renewable energy for remote Indigenous communities

- Work with government partners and existing ICT networks to increase adoption of ICT technologies and support the Connect to Innovate program

Companies

Goals:

To encourage business start-up and scale-up to grow globally competitive companies

Desired Outcomes:

Increased number of new SMEs businesses; increased amount of funding leveraged; increased number of new Indigenous SMEs businesses; increased number of SMEs businesses accessing new markets; increased businesses in clean tech sector

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Potential Priority Initiatives:

- Map existing and emerging industrial and business clusters and expand support by increasing government/stakeholder collaboration and aligning efforts to grow key sectors

- Grow export-oriented firms by building capacity for innovation and trade promotion

- Increase manufacturers' competitiveness and productivity

- Support new businesses and enterprises models in Indigenous communities, including those that take advantage of major transformative economic developments, e.g. Ring of Fire, electrification and all-season roads

Building Stronger Communities

Goals:

To help municipalities and Indigenous communities develop their capacity to plan, promote, attract and support long-term economic growth to better respond to opportunities and challenges, and advance common goal

Desired Outcomes:

Increased number and value of strategic infrastructure initiatives; increased value of investments in Indigenous initiatives; increased number of communities investing in green infrastructure, and value of investments

Potential Priority Initiatives:

- Increase support to community organizations that stimulate new business opportunities and social enterprises

- Support leadership development and associated human capacity, particularly in Indigenous communities, to increase their ability to effectively champion and manage economic development projects

- Expand federal/provincial collaboration to streamline support to Indigenous communities

- Support the development of new Indigenous business networks and skills development initiatives in key sectors, particularly mining, forestry, tourism, agriculture and arts and culture

- Encourage communities and regions to become more innovative, productive and competitive by fostering linkages among businesses, institutions and other

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communities to engage youth; attract people and talent; and, invest in projects that create jobs and drive innovation

- Support transition and diversification opportunities for communities that have relied heavily on one economic sector in the past

- Leverage opportunities resulting from multi-modal investments

Approach

Principles:

- Engagement – Build on feedback from previous consultations and roundtables through continued engagement with regional federal/provincial and other stakeholders in Northern Ontario

- Collaboration – Support a coordinated and collaborative approach among federal and provincial governments that increases impact of key initiatives

- Evidence-based – Improve data collection and research capability for sound policy-making

- Pan-Northern – Emphasize region-wide approaches

- Alignment – Ensure actions align with national priorities/strategies and, as appropriate, with the province, to maximize effectiveness

- Inclusiveness – Foster economic growth that improves living standards and shares benefits of increased prosperity more evenly across social groups, including women and Indigenous peoples

- Outcome-driven – Identify clear and realistic outcomes



CONNECT TO INNOVATE

September 2017

Building a prosperous and innovative Canada

Canada

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PROGRAM OVERVIEW

- Budget 2016: $500 million over five years for rural and remote broadband, including the North.
- Call for applications: December 15 to April 20.
- Funding primarily for new backbone infrastructure, targeting 300 communities across Canada.
- Extensive consultations resulted in expanded scope and greater complexity: last-mile, backbone upgrades, and resiliency also eligible.

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STAKEHOLDER ENGAGEMENT

- Fundamental to the design and delivery of CTI.
  - Began in summer 2016, continues to present.
    - Helping proponents to complete applications, particularly for those with capacity challenges (e.g. FNs).
    - Comprehensive advising for potential marquis projects in north/mid-north (e.g. Nunavut, northern ON, etc.)
    - Active coordination of potential leveraging opportunities with OGDs, PTs and others



480+ phone calls to the 1-800 number



500+ meetings with PTs, ISPs, MPs, MLAs, Mayors, FNs, etc.



850+ emails to CTI for information, and 110K+ hits to the CTI website

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UNPRECEDENTED DEMAND



- Applications received for every province & territory.
- About ¾ of applications for backbone, with rest for last-mile only, resiliency, or hybrids.
- Wide range of applicants: ISPs, FNs, municipalities, etc.

*Preliminary results, subject to change based on ongoing assessment. Also includes a single project for $1.2B.

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APPLICATIONS BY PROVINCE

- Connect to Innovate (CTI) received 892 applications, from 228 applicants, requesting over $4.4 billion in total contributions.
- Applications were received from all provinces and territories with 29 projects covering multiple provinces (not included in graphics below).
- The majority of applications were received from Ontario and Québec with contribution amounts requested below:



British Columbia
35 applications
$314.7M



Alberta
101 applications
$118.9M



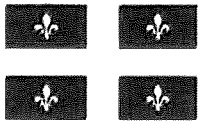
Saskatchewan
12 applications
$45.6M



Manitoba
48 applications
$459.8M



Ontario
313 applications
$635.1M



Québec
243 applications
$345.6M



New Brunswick
8 applications
$1.9M



Nova Scotia
35 applications
$42.2M



Prince Edward Island
4 applications
$13.8M



Newfoundland and Labrador
40 applications
$31.2M



Northwest Territories
2 applications
$8.6M



Nunavut
5 applications
$535.4M



Yukon
1 application
$30M

1

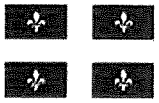
NATIONAL NEEDS

- CTI largest single source of broadband funding readily available to communities in Canada.
- Need is larger than CTI: est. $2-2.5 billion to bring backbone all rural communities in Canada.
- Addressing northern communities places further pressure on funding throughout Canada.
  - An additional $2.5 billion to fully meet needs in the territories.
- CRTC fund may alleviate some pressure, but focussed on last mile and won't be ready for at least another year.

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LEVERAGING PARTNERS

- CTI oversubscribed: partner funders will be critical.
- Other federal funders could include:
  - RDAs: various funds, but very small ($2 million at ACOA)
  - INFC: $2 billion in new rural fund†
- Some PTs have committed funds for broadband:



Quebec
$100 million



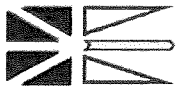
British Columbia
$40 million



Ontario
$25 million



Nova Scotia
$15 million



Newfoundland and Labrador
$1 million

† ISED is working closely with INFC to address challenges with INFC's stacking limits.

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CTI FUNDING PARAMETERS

Project type	CTI funding share		Total federal funding		Total of all government funding	
	Rural	**Remote**	**Rural**	**Remote**	**Rural**	**Remote**
Backbone (New)	75%	90%	100%	100%	100%	100%
Backbone (Upgrade or resiliency)	50%	50%	75%	75%	100%	100%
Last-mile (New)	75%	75%	100%	100%	100%	100%
Last-mile (partially-served)	50%	50%	75%	75%	100%	100%

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TIMELINES



Applications to Connect to Innovate were due.

- Applicants will be given one chance to provide follow-up information as needed by CTI.



Assessment of applications begins.

- Applications first undergo screening.
- Those that pass then undergo assessment against sets of essential and comparative criteria.
- Working with PTs to coordinate leveraging.



Ministerial announcements.

- Some initial recommendations may begin in July.
- Assessment of applications continue while announcements of projects started August 31st.

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ASSESSMENT PROCESS

- Applications will undergo an eligibility screening, followed by assessments on essential and comparative criteria.

Essential

Technology solution	Project management	Open access

Comparative

- Community Benefits
- Level of service improvement
- # of communities
- Partnerships
- Scalability
- Price/Affordability
- # of anchor institutions

- Applications assessed with a view to minimizing, when possible, overlap of multiple applications and overbuild of existing coverage.

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Making Canada a Nation of Innovators

October, 2018

Innovation, Science and Economic Development Canada

Innovation, Sciences et Développement économique Canada

Canada

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Canada can no longer rely on previous drivers of growth:

Rising labour force participation

North American trade

High commodity prices

Recent economic growth upturn may be temporary

Bank of Canada GDP projections:

2017: 3% **2018-2020**: 2%

Demographic shifts

For the first time, high income countries have more people 65+ than under 15 (World Bank, 2016)

Changing nature of work

8-9% of labor demand in 2030 will be in jobs that do not exist today (McKinsey, 2017)

Transitioning to a clean growth economy

Global cleantech activity, expected to exceed $2.5T by 2022 (Smart Prosperity, 2018)

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Canada is competing in a global innovation race

Other countries are making big bets



Defense Advanced Research Projects Agency (DARPA) – **US$3.5B/year**



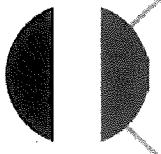
UK Research and Innovation (UKRI) – **£6B/year**



Building a **US$2.1B** AI research park and a **US$10B** quantum lab



Developing 100 smart cities – INR 50,000 crore/5 years or ~**C$10B**



€57B Big Investment Plan for ecological transition, skills, innovation and digital state



Horizon 2020 research & innovation program – **€80B/7 years**

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Canada is well positioned
to succeed as a knowledge-based economy

Most educated workforce in the OECD

Open multicultural nation

Embracing clean growth

High quality of life

Conducting world-class research

Strong investment climate

Global recognition of research quality

4th in the OECD for citation impact (SJR, 2018)

6th in the OECD on highly cited publications (CCA, 2018)

SMEs significantly contribute to jobs

Canadian SMEs responsible for 87.7% of net employment change from 2005 to 2015 (StatsCan, 2016)

97.9% of Cdn businesses are small, employing 70.5% of Cdns (StatsCan, 2016)

Increased VC and angel investment

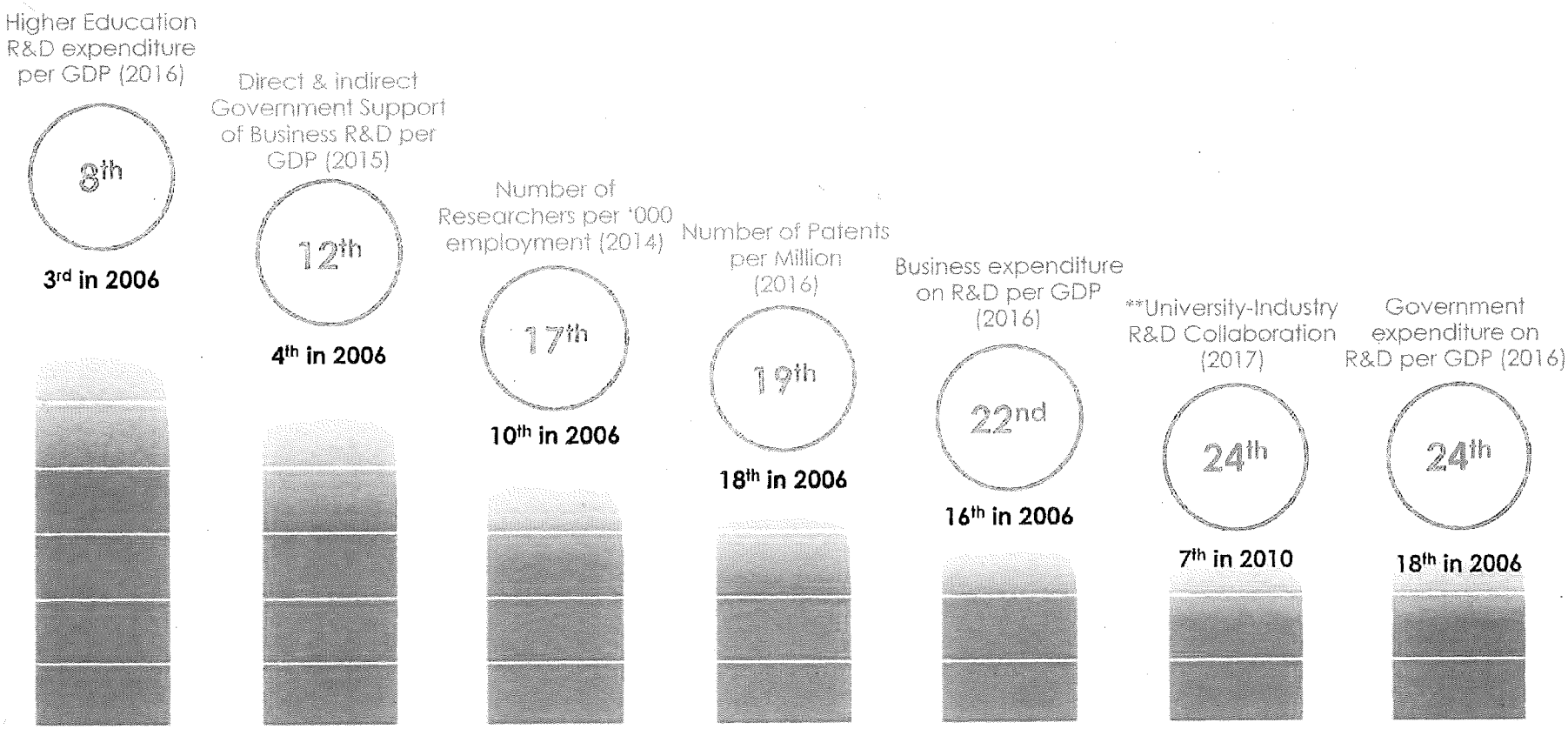
3rd in the OECD for VC investment as a % of GDP (OECD, 2017)

Early and seed stage VC investments are 65% of deals and 62% of $s (CVCA, 2018)

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Declining international ranking in key metrics

Need to position Canada as a global entre for innovation



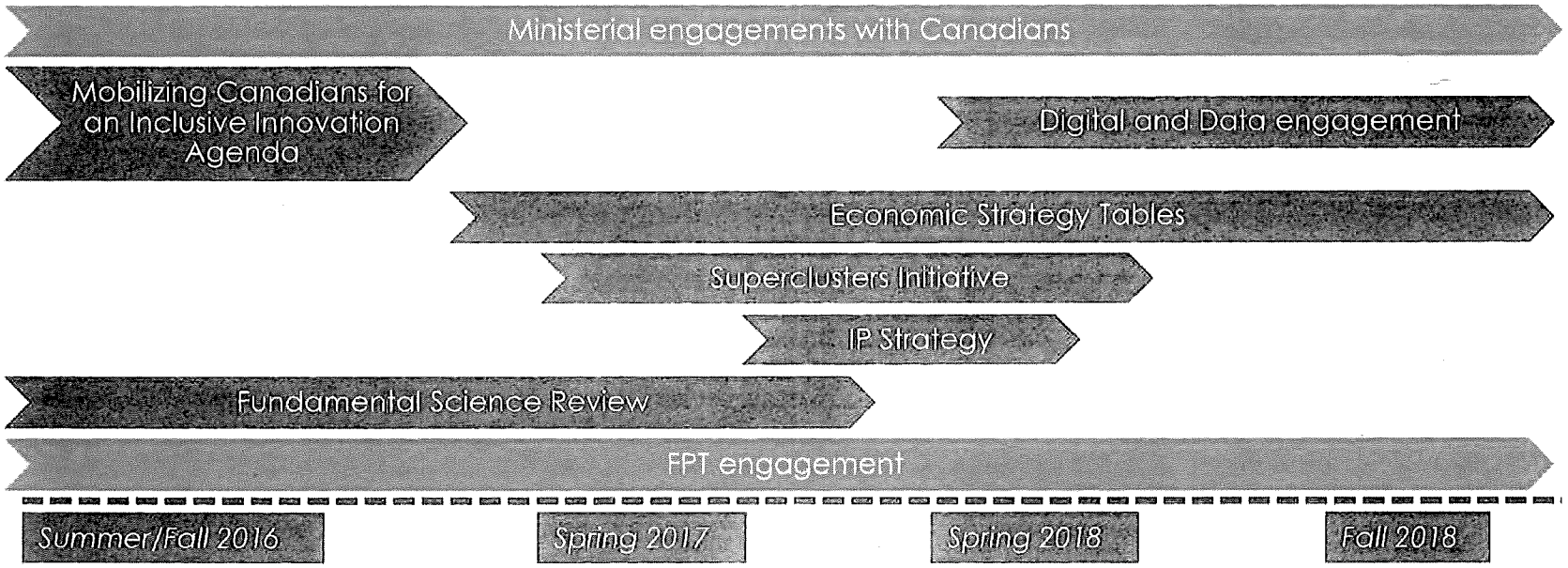
Canada's Ranking on Key Indicators Among 36 OECD Countries

Source: OECD Main Science and Technology Indicators; OECD Science, Technology and Industry Scoreboard 2017
** Based on WEF Global Competitiveness Report 2017 which includes non-OECD countries

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A plan driven by Canadians for Canadians

The Innovation and Skills Plan is being developed through a partnership-driven, ongoing engagement process



In 2016, consultations identified barriers and challenges across the innovation system

Skill shortages (STEM)	Attract top talent	Business R&D lagging	Research not fully commercialized	Low adoption of technologies by SMEs
Persistent gender gap	16% SMEs owned by women	Low density networks/clusters	Insufficient patient capital	Programs difficult to navigate

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Canada's Innovation and Skills Plan: bold ideas in action

PEOPLE

TECHNOLOGIES

COMPANIES

CHALLENGES

Shortages in coding and digital skills

Fewer graduates in STEM and persistent gender gap

Only 16% of SMEs majority owned by women (2014)

Need to attract top talent from around the world faster & in greater numbers

Lower percentage of low income households with subscriptions to Internet

Low density of industry & technology capabilities and networks

Research strengths are not being fully commercialized into technologies in the marketplace

Government innovation programing overlapping & difficult to navigate

Low adoption of technologies by SMEs

Business R&D lagging international competitors

Strong at starting-up businesses but poor at growing them

Less venture capital directed towards late stage growth than peers

Last among G7 in the number of firms in the top 1000 global R&D firms

Insufficient patient capital to support expansion and/or long product development cycles for new tech (e.g., cleantech)

Limited usage of government procurement to grow innovative firms

EDUCATION (STEM) → SCIENCE AND R&D → TECHNOLOGY CREATION → COMMERCIALIZATION & STARTUPS → SCALE-UPS & AMPLIFYING SUCCESS → GLOBAL MARKET EXPANSION & EXPORT

SOLUTIONS

CanCode – equipping youth and teachers with digital and coding skills

Digital Literacy Exchange – teaching vulnerable groups digital skills

Connect to Innovate – connecting 900 communities to the internet

Connecting Families – affordable internet for low-income Canadians

Mitacs – 10,000 work placements for university students

Global Skills Strategy – expedited processing time for high skilled talent

Can150 Research Chairs – attracting top-tier researchers to Canada

Pan-Can AI Strategy – maintain Canada's leadership in AI

Innovation Superclusters Initiative – industry-driven consortia to foster collaboration, business innovation & cluster development

A New Vision for Science – the largest-ever increase in funding for fundamental research

Reimagined National Research Council – help businesses undertake commercially relevant but high-risk research, which can in turn lead to successful global companies

Strategic Innovation Fund – consolidates and simplifies business innovation support

Regional Development Agencies – consolidate business innovation support

Intellectual Property Strategy – help Canadians access and leverage IP

Innovative Solutions Canada – government as a first customer to spark innovation

Cleantech Financing – patient capital leveraging private sectors investment

Venture Capital Catalyst Initiative – invest in private sector funds of funds to grow and diversify Canada's VC industry

Women Entrepreneurship Strategy – address barriers and challenges to women entrepreneurs

MOST TALENTED & SKILLED WORKFORCE IN THE WORLD

DEVELOP AND ADOPT NEW TECHNOLOGIES WHILE PROMOTING SCIENCE EXCELLENCE TO ADDRESS GLOBAL CHALLENGES

STIMULATE NEW INVESTMENTS TO GROW WORLD-CLASS COMPANIES & CREATE MIDDLE-CLASS JOBS

PROGRAM SIMPLIFICATION

EASE OF DOING BUSINESS

- Innovation Canada
- Clean Growth Hub
- Accelerated Growth Service

SIMPLIFIED SUITE FOR GOVERNMENT INNOVATION PROGRAMS

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The Innovation and Skills Plan is underpinned by four interconnected pillars

1



People and skills

Equipping Canadians with the tools, skills and experience they need to succeed in the marketplace, and attracting global talent

2



Research, technology and commercialization

Encouraging greater business investments in research and capitalizing on Canadian inventions through shared risk taking and partnerships

3



Investment, scale-up and clean-growth

Attracting investment and supporting the growth of leading Canadian companies and start-ups

4



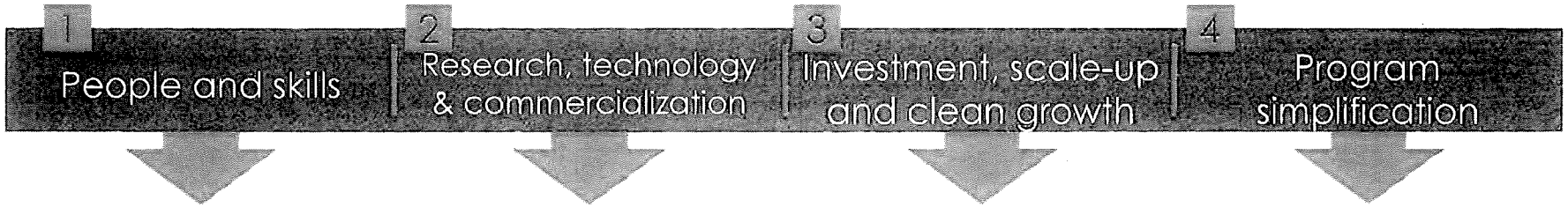
Program simplification

Offering a timely, client-centric and single window in the delivery of business innovation programs

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Innovation and Skills Plan

A suite of mutually reinforcing and targeted actions to unlock economic opportunities and strengthen Canadian competitiveness



Targeted actions

People and skills	Research, technology & commercialization	Investment, scale-up and clean growth	Program simplification
Global Skills Strategy	Innovation Superclusters Initiative	Strategic Innovation Fund	Innovation Canada
150 Research Chairs	New Vision for Science	VC Catalyst Initiative	Clean Growth Hub
Pan-Canadian AI Strategy	Reimagining the NRC	Innovative Solutions Canada	Economic Strategy Tables
CanCode/digital skills	Supporting Canada's Space Sector	Women Entrepreneur Strategy	Horizontal Review of Innovation Programs
Work-integrated learning		RDAs	
PromoScience		IP Strategy	
Futurpreneur		Clean Technology Financing	
Connect to Innovate			
Bridging Digital Divides			

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Budget 2018

Re-investing in science

Positioning Canada as a world leader in scientific discoveries, propelling research & technological advancements that serve ALL Canadians

Fundamental research & infrastructure

- Granting Councils
- Canada Research Chairs
- Diversity among research funding recipients
- Research Support Fund
- New Tri-council Fund
- CFI & Major Science Initiatives
- Digital Research Infrastructure

Science institutes & collaborations

- College & Community Innovation Program
- Institute for Quantum Computing
- Centre for Drug R&D
- Review of approach to investments
- Consolidating business facing CIHR & NSERC programs

Strengthening federal science

- Reimaged NRC
- Council of Canadian Academies
- Renew Federal Science Laboratories
- POLAR Knowledge Canada

Almost **$4 billion** in support of scientific research

The largest investment in fundamental research in Canadian history

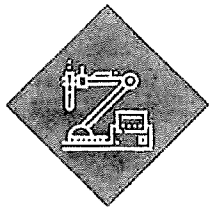
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Economic Strategy Tables

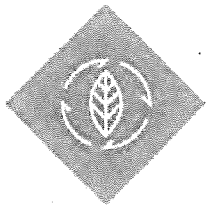
A new model for industry-government collaboration

Six sector-specific ***Economic Strategy Tables*** *to help guide the Government in its efforts to provide relevant and effective programs for Canada's innovators*

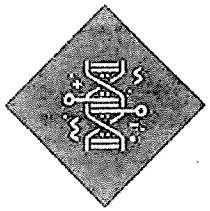
- set ambitious growth targets
- identify sector-specific challenges & "bottlenecks"
- lay out an actionable roadmap to achieve goals



Advanced Manufacturing



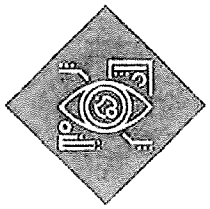
Agri-Food



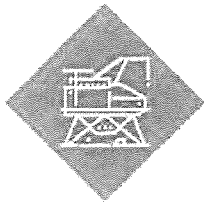
Health & Bio-sciences



Clean Technology



Digital Industries

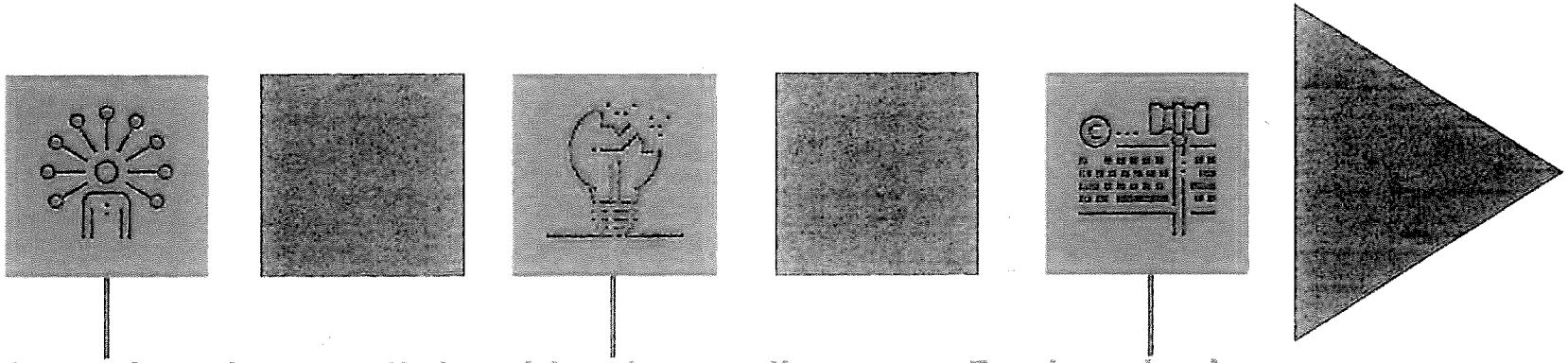


Resources of the Future

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Unlocking the potential of the data-driven digital economy

Three related and mutually-reinforcing focus areas



Future of work

Ensure that digital dividends are spread across society, promoting skills, science, & affordability in the digital age

Unleashing innovation

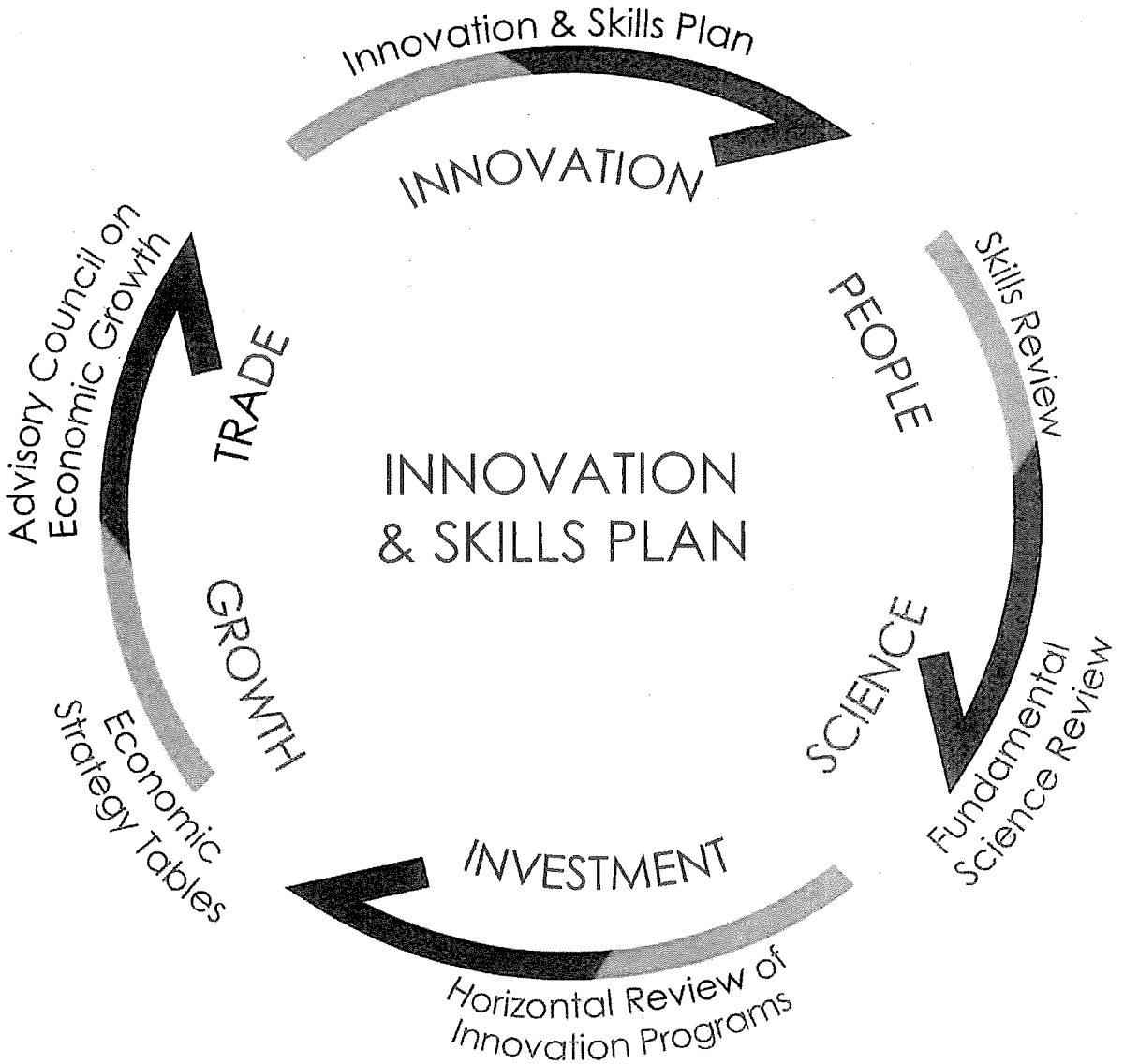
Maximize benefits of a digital/data driven society, with competitive companies, leading infrastructure & world class e-government

Trust and privacy

Ensure frameworks for experimentation, transparency, competition, while safeguarding the rights of Canadians

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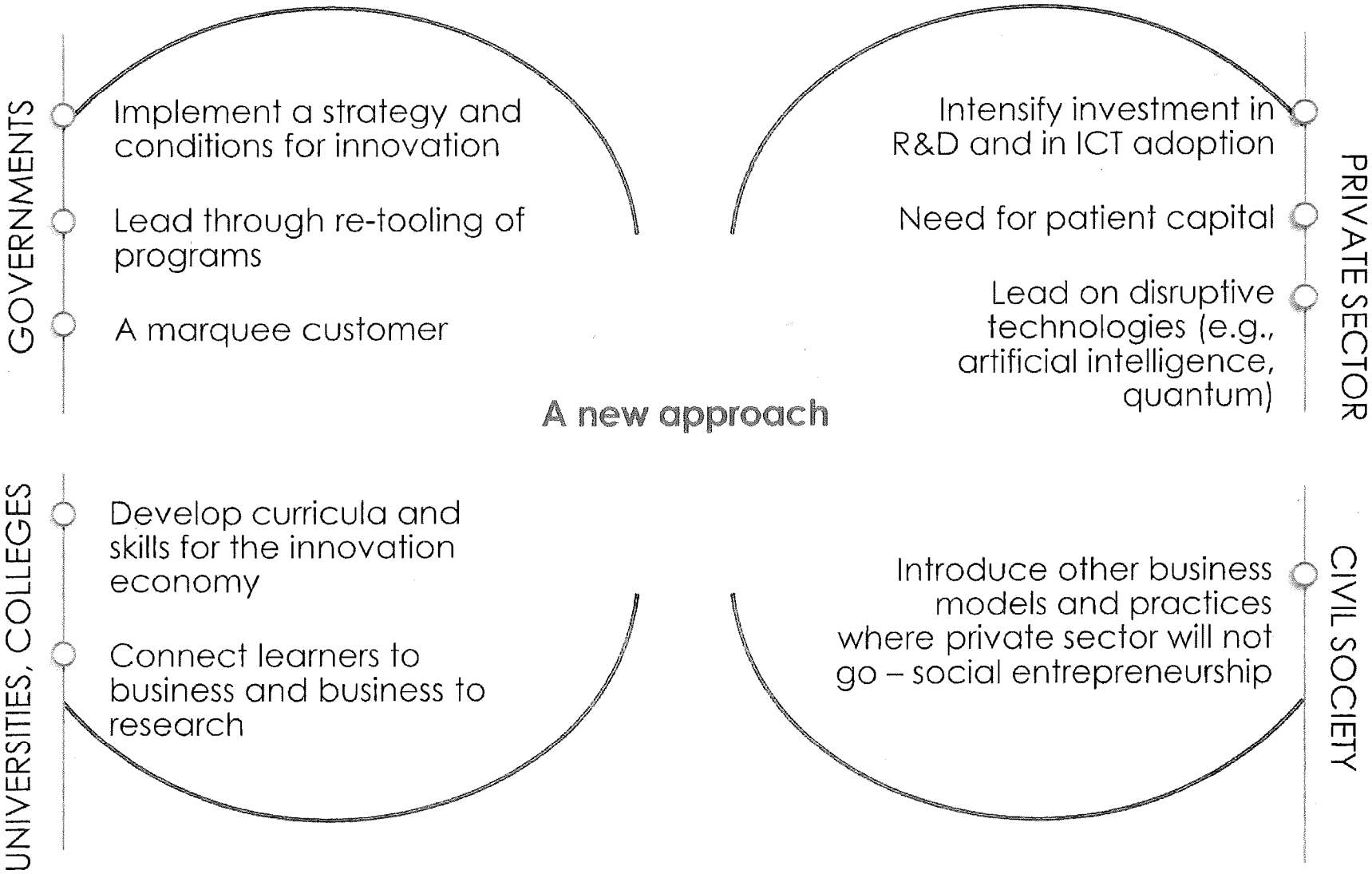
Whole of government approach



Transformative initiatives to increase Canadian competitiveness

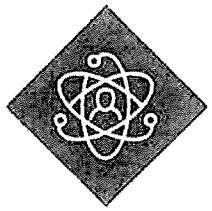
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A call to action

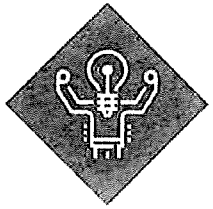


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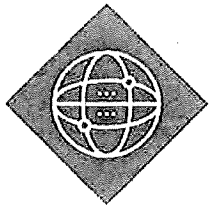
Towards better outcomes – a better Canada



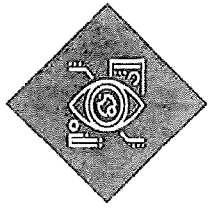
Create resilient jobs for today and tomorrow



Create a skilled workforce for the changing economy



Create new businesses that will grow into global champions



Create new and innovative technologies for a better quality of life

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Annex A – People and skills

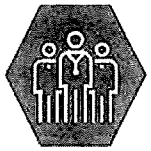
Attracting top talent

Facilitating and accelerating investments that create jobs and growth in Canada



Global Skills Strategy

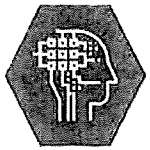
Helps Canadian businesses to attract top talent, speeding up the visa process under Global Talent Stream



Canada 150 Research Chairs

$117.6M/8 years

Attract top-tier researchers to Canada



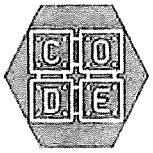
Pan-Canadian AI Strategy

$125M/5 years

Attract AI researchers and companies to invest in Canada

Equipping Canadian youth

with the skills and experiences for jobs of the future



CanCode

$50M/2 years

Coding and digital skills education for youth aged K-12 and teachers



Work-integrated learning

$221M/5 years

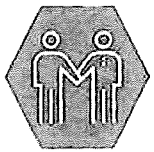
10,000 new work-integrated learning placements through Mitacs



PromoScience

$10.8M/5 years

Hands-on learning activities that promote STEM among youth



Futurpreneur

$14M/2 years

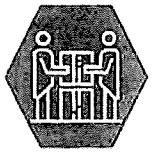
Business mentoring and financing for aspiring young entrepreneurs

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Annex A – People and skills

Bridging digital divides

particularly among seniors, low-income Canadians, Indigenous Peoples, and those living in northern and rural communities



Digital Literacy Exchange

$29.5M/5 years

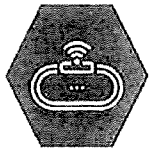
Non-profits teach basic digital skills to those most affect by digital divides



Accessible Technology Program

$22.3M/5 years

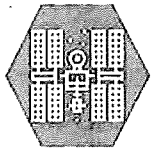
Develop technologies for Canadians with disabilities to participate more fully in the digital economy



Connecting Families Initiative

$13.2M/5 years

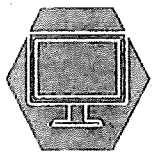
Help service providers offer low-cost home internet packages to low-income families



Connect to Innovate

$500M/5 years

Provide 900 rural and remote communities with high-speed internet



Computers for Schools Program

$27M/5 years

Provides computers to schools, libraries, not-for-profit organizations and Indigenous communities

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Annex A – Research, technology & commercialization

Supporting the development & commercialization of Canadian innovations

Innovation Superclusters Initiative

$950M/5 years

Support the development of five Superclusters – consortia of companies, academic institutions and others – to generate bold ideas

Reimagining the NRC

$540M/5 years

Reinforcing its research strengths, as well as improving collaboration with industry

Supporting Canada's Space Sector

$379M/8 years to continue its participation with the International Space Station
$100M/5 years to build and operate low Earth orbit satellites for broadband
$80.9M/5 years to demonstrate and utilize Canadian innovations in space

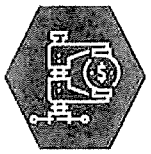
Supporting Canada's space sector, one of the most research and development intensive sectors in the Canadian economy

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Annex A – Research, technology & commercialization

$4 billion research investment

The largest investment in fundamental research in Canadian history to define a new vision for science and research for Canada

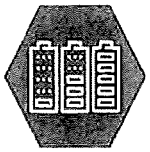


Increased granting council funding
$925M/5 years

New tri-council fund
$275M/5 years

Supporting international, interdisciplinary, fast-breaking and high-risk R&D

Renew federal laboratories
$2.8B/5 years on a cash basis

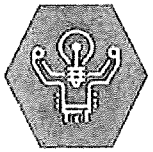


Digital Research Infrastructure
$572.5M/5 years

Research Support Fund
$231.3M/5 years

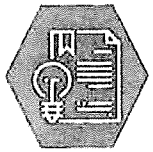
Canada Foundation for Innovation
$763M/5 years

Investing in state-of-the-art tools and facilities



Increase diversity in the research community
Supporting early career researchers and diversity among Canada Research Chairs
$210M/5 years

Granting Councils diversity strategies
$15M/5 years



Council of Canadian Academies
$9M/3 years

Inform science policy development



College and Community Innovation Program
$140M/5 years

Investing in cutting-edge research
Centre for Drug R&D
$48M/3 years

Institute for Quantum Computing
$15M/3 years

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Annex A – Investment, scale-up and clean-growth

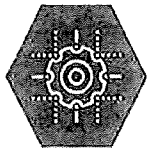
Attracting investment and supporting the growth of a diverse range of Canadian companies



Strategic Innovation Fund

$1.26B/5 years

Consolidates and simplifies existing business innovation programming while expanding support to emerging sectors



Innovative Solutions Canada

$100M+

Support innovative solutions by Canadian small businesses that solve gov. challenges – based on US SBIR by having the gov. act as a first customer



Women Entrepreneurship Strategy

$105M/5 years

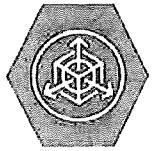
Address challenges to support women entrepreneurs grow their businesses, and to remove barriers to their success



Venture Capital Catalyst Initiative

$400M/3 years

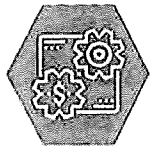
Increase late-stage venture capital available to Canadian entrepreneurs



Regional Development Agencies

$511M/5 years

Support regional innovation ecosystems, and help firms scale up, expand to new markets, and adopt new technologies and processes



Intellectual Property Strategy

$85.3M/5 years

Increase access to & understanding of intellectual property

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Annex A – Investment, scale-up and clean-growth

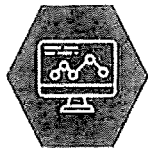
Growing clean technology to accelerate Canada's transition to a clean growth economy



Clean technology financing

$1.4B/5 years

New financing to help Canada's capital-intensive clean technology firms grow and expand



Clean technology data strategy

$14.5M/4 years

Expand understanding of the contribution of clean technology in the Canadian economy



Sustainable Development Technology Canada

$400M/5 years

Develop and demonstrate clean technologies that promote sustainability

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Annex A – Program simplification

Offering a timely, client-centric and single window in the delivery of business innovation programs in every region



Innovation Canada

innovation.canada.ca

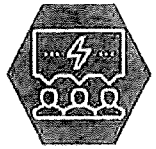
A client-centred single-window business innovation service to simplify access to federal innovation support, simplify and reduce the number of program windows, and build R&D partnerships;



Clean Growth Hub

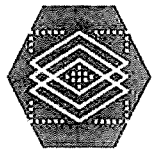
canada.ca/clean-growth

A whole-of-government focal point for clean technology focused on supporting companies and projects, coordinating programs and tracking results



Economic Strategy Tables

Six sector-specific Economic Strategy Tables to help the Government identify sector-specific challenges & "bottlenecks" to innovation



Horizontal Review of Innovation Programs

A horizontal review of federal innovation and clean technology programs – decreasing the number of programs by up to two thirds

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Tracking Progress and Results: The Innovation and Skills Plan

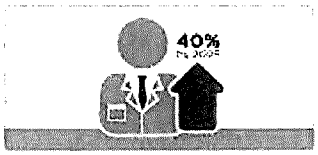
https://www.ic.gc.ca/eic/site/062.nsf/eng/h_00083.html

Sample from Landing Page:

People and skills

Equipping Canadians with the tools, skills and experience they need to succeed in the marketplace, and attracting global talent

A diverse and highly skilled workforce



Increase the number of professional, science and tech-related jobs in the Canadian economy as share of total employment to 40% by 2025.

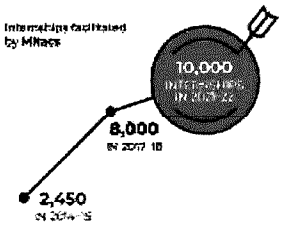
Why this is a target:

Canadians need the skills required for the jobs of tomorrow and Canadian businesses need a highly trained and skilled workforce to be competitive in the new digital economy

How we are getting there:

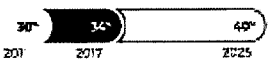
- CanCode
- Digital Skills for Youth (DSY)
- Let's Talk Science
- PromoScience Program
- Entrepreneur Canada
- Mitacs
- Student Work Integrated Learning Program
- Skills Boost initiative
- Future Skills
- Youth Employment Strategy
- Canada Student Loans Program
- Apprenticeship Training
- Skills Development and Training for Indigenous Peoples
- Labour Market Development Agreements
- Workforce Development Agreements

Early result:



Progress so far:

Share of all jobs that are professional, science and tech related



View data

Digital skills and literacy



Increase coding and other digital skills training available to students across Canada's K-12 school system by 2025, reaching 500,000 students by 2019.

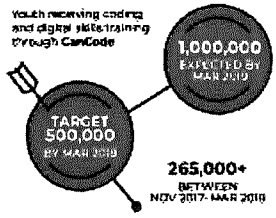
Why this is a target:

Canadians need to be digitally adept and prepared for high quality jobs in the digital economy

How we are getting there:

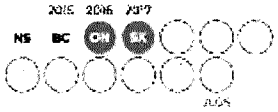
- CanCode
- Computers for Schools
- Digital Skills for Youth (DSY)
- Digital Literacy Exchange
- Accessible Technology Program
- Connecting Families Initiative

Early result:



Progress so far:

Provinces and territories with coding in their K-12 curricula



Enable a connected and digitally-engaged society



Bridge the digital divide by increasing household Internet use to 100% by 2025 and ensuring 80% of Canadians have access to ultrafast broadband at 1 Gbps by 2020.

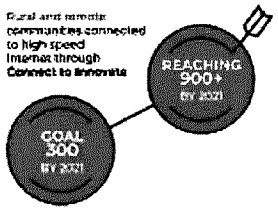
Why this is a target:

Access to high-speed and modern digital infrastructure is vital to ability to have digital services and technologies for Canadians to live, work, learn and succeed in today's digital economy

How we are getting there:

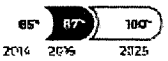
- Connect to Innovate
- Connecting Canadians
- Low Earth Orbit (LEO) Satellites

Early result:



Progress so far:

Share of all households that have Internet access



View data

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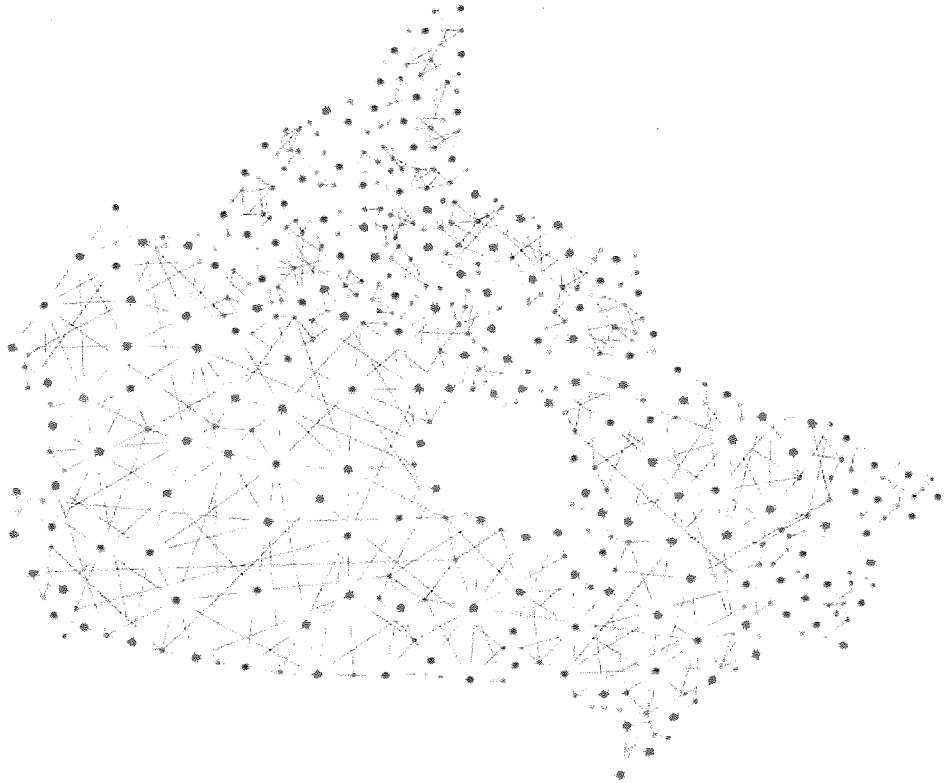


Canada | British Columbia | Alberta | Government of Saskatchewan | Manitoba | Québec | Ontario | Brunswick | Prince Edward Island | Nova Scotia | Newfoundland Labrador | Nunavut | Northwest Territories | Yukon

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Purpose

- To agree that high-speed connectivity is important for sustainable and inclusive economic growth; and
- Commit to working together toward addressing the long-term connectivity needs of all Canadian business, homes, public institutions, and Indigenous peoples



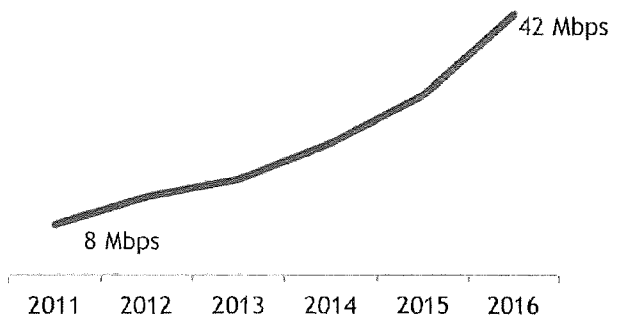
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Connectivity in Canada

Current State & Requirements

- Digital networks are critical for modern and emerging uses
- More devices and data rich applications are driving demand for data – increasing 20-40% annually

Average Download Speed Canadian Residential Broadband Subscriptions

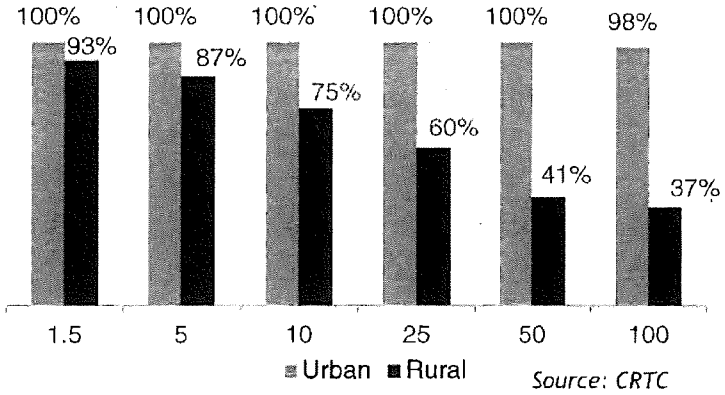


Source: CRTC

Rural vs. Urban

- Private investments have resulted in gigabit capable speeds in the majority of urban centers
- Business case to invest in rural and remote areas much more challenging

Download Speed Availability in Mbps, Urban vs Rural (% of Homes)

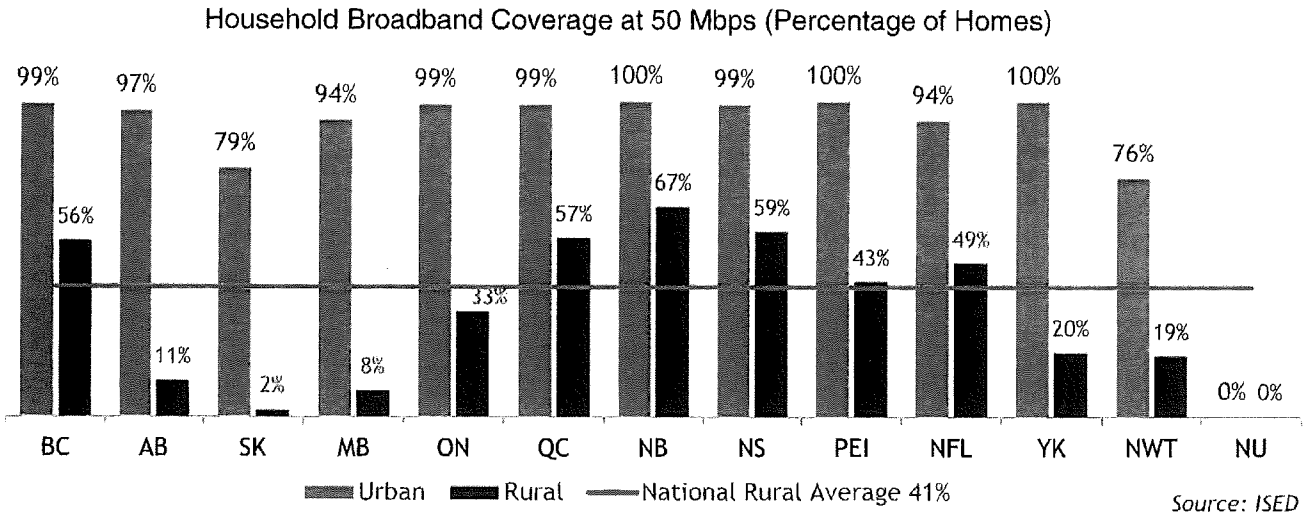


Source: CRTC

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Understanding the Divide

- The Canadian Radio-television and Telecommunications Commission's (CRTC) basic service standard has been set to 50 Mbps download and 10 Mbps upload (50/10 Mbps)
- Today, 5.6 million Canadians lack access to this benchmark speed impeding their ability to participate in the digital economy – including over 300,000 Indigenous peoples
- Mobile wireless coverage is much better with coverage of 99% of population, but significant gaps remain along major roads
- Total cost of addressing these challenges is in the order of $8 billion over ten years
- The challenge is too large for a single government or private sector entity to take on – a collaborative approach is needed



Source: ISED

Urban: population centres having a population of at least 1,000 and a population density of 400 persons or more per square kilometre
Rural: all areas outside population centres – i.e. with less than 1,000 people or less than 400 per square kilometre
As defined by Statistics Canada

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Opportunities for Success

- Bring together governments to maximize the impact of public investments
- Outline commitments to addressing the growing divide by agreeing to a set of common objectives and priorities
- Address the connectivity needs of remote and isolated Indigenous communities
- Leverage range of tools available (e.g. spending and regulatory)
- Take into consideration current needs and future demand to promote long-term growth
- Lay the foundations today to facilitate Canada's future economic success from coast-to-coast-to-coast

Connectivity Principles can guide a more strategic and collaborative approach

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Connectivity Principles

Access

- Access to reliable, high quality and affordable services are necessary for Canada's success in a digital world, to allow all Canadian businesses, households, and public institutions to realize the economic and social benefits of connectivity through the use of advanced technologies and applications
- Work towards establishing universal access of at least 50 Mbps download / 10 Mbps upload taking into context scalability and longer-term growth
- Businesses should have access to networks that support their ability to utilize technology, compete, and contribute to the economy
- Mobile connectivity on major highways and roads is an important need, including for safety

Collaboration

- Collaboration is essential to address the scope of the challenge and maximize the effect of our actions
- Shared objectives and priorities will lead to better outcomes
- Gathering, having access to, and sharing reliable data can significantly improve analysis and deployment strategies, as well as enable public reporting on progress
- Recognize the unique circumstances of Indigenous communities, especially in remote and isolated locations

Effective Investments

- Targeting market failures allows governments to direct support to where it is needed most
- Coordination of regulatory and spending levers helps ensure effective implementation
- Open access requirements can promote competition, affordability, and greater choice and should therefore be considered
- Addressing deployment barriers can significantly reduce constructions costs of digital infrastructure

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Plan of Action

Ministers agree to:

- Work toward providing all Canadian homes, businesses and public institutions access to:
  - Internet speeds of at least 50 Mbps download / 10 Mbps upload or higher (where possible); and
  - Mobile wireless coverage along major roads
- Commit to making broadband a priority and to develop a long-term strategy

Next Steps

Fall 2018

- Refining gap analysis and costing for fixed and mobile coverage

Winter/Spring 2019

- Reach consensus on costing
- Identify priorities and develop a plan of action

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Government of Canada / Gouvernement du Canada

Home → Innovation, Science and Economic Development Canada

Federal, provincial, territorial ministers agree to the principles of a Canadian broadband strategy that will improve access to high speed internet for all Canadians

From: Innovation, Science and Economic Development Canada

News release

Better access to high speed internet will improve competitiveness and address digital divide

October 26, 2018 — Vancouver, British Columbia

Today, federal, provincial and territorial ministers for innovation and economic development agreed to making broadband a priority and to develop a long-term strategy to improve access to high-speed Internet services for all Canadians. The commitment to a strategy is the latest outcome of this intergovernmental table focused on driving growth and job creation through innovation.

Ministers recognize that access to high-speed Internet service is critical for businesses to grow and compete and for all Canadians to fully access the goods and services available in a digital economy. As outlined in a statement released today, Ministers agreed to work towards universal access to high-speed Internet and improve access to the latest mobile wireless services along major roads and where Canadians live and work.

High speed connectivity is critical to the prosperity and wellbeing of Canadians particularly with the next-generation of high-quality networks that will especially enable smart cities, connected cars and e-health for Canadians.

At the meeting, ministers were also briefed on the report from Canada's Economic Strategy Tables. This report identifies opportunities to create the conditions for strong, long-term competitiveness that will secure Canadians' quality of life. Ministers agreed to consider the advice of the tables in advancing their two-year work plan in ways that will help companies to scale up and to adopt new technologies.

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Ministers also discussed the promotion of Indigenous economic development through partnerships among Indigenous businesses, non-Indigenous businesses and communities.

Statement by Ministers for Innovation and Economic Development on Connectivity

Ensuring universal access to high-speed Internet and mobile wireless networks is essential for long-term economic growth, innovation, and social progress for all Canadians across the country, and fundamental to success in the modern digital world.

Whether its finding information online, selling goods and services to domestic and international markets, or providing e-health or online education services, Canadian consumers, businesses, and public institutions require broadband Internet connectivity to participate fully in the digital economy.

To that end, we agree to build on existing collaboration and work together to enhance connectivity for all Canadians, along with private sector partners, municipalities, public institutions, Indigenous communities, and non-profit organizations to maximize the impact of our actions.

As we move forward and engage in this work, we will be guided by the following connectivity principles:

Access

- Access to reliable, high quality and affordable services are necessary for Canada's success in a digital world, to allow all Canadian businesses, households, and public institutions to realize the economic and social benefits of connectivity through the use of advanced technologies and applications
- Work towards establishing universal access of at least 50 Mbps download / 10 Mbps upload taking into context scalability and longer-term growth.
- Businesses should have access to networks that support their ability to utilize technology, compete, and contribute to the economy.
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- Shared objectives and priorities will lead to better outcomes.
- Gathering, having access to, and sharing reliable data can significantly improve analysis and deployment strategies, as well as enable public reporting on progress.
- Recognize the unique circumstances of Indigenous communities, especially in remote and isolated locations.

Effective Investments

- Targeting market failures allows governments to direct support to where it is needed most.
- Coordination of regulatory and spending levers helps ensure effective implementation.

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- Open access requirements can promote competition, affordability, and greater choice and should therefore be considered.
- Addressing deployment barriers can significantly reduce constructions costs of digital infrastructure.

Quotes

"Access to reliable and quality high-speed Internet is no longer a luxury. As a country, we have made incredible advances, building mobile networks that are among the fastest in the world and bringing broadband Internet to rural and remote communities across Canada. Yet there is more to do. The commitment to a strategy we made today reflects the ambition we all share to get all Canadians online and participating in the digital economy."

-- The Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development, Government of Canada

"We want to establish Canada and British Columbia as a preferred location for new and emerging technologies and ensure the benefits of tech and innovation are felt across the province. Many tech companies are small businesses and a reliable Internet connection keeps them at the leading edge of global technological advances. We look forward to collaborating with jurisdictions across Canada to foster job creation and economic development through innovation so Canada stays competitive, and continues to be a place where people want to live and do business."

-- The Honourable Bruce Ralston, Minister of Jobs, Trade and Technology, Government of British Columbia

Quick facts

- Ministers committed to work towards universal access to benchmark Internet speeds of 50 Megabits per second download and 10 Megabits per second upload. In 2016, these speeds were available to 41% of Canadians in rural and remote areas.
- Mobile wireless services based on 4G Long Term Evolution technology were available to 98.5% of homes, but there are more substantial gaps along unpopulated areas of major roads.
- The number of connected devices per Canadian is expected to increase from 6 in 2016 to 11 by 2021.

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- 70% of teachers assign homework requiring Internet access; students with home Internet access have a 7% higher rate of graduation compared to those without.
- In December 2016, CRTC declared broadband a basic telecom service for all Canadians.
- The ministers agreed to two-year work plan when they last met, on October 13, 2017, in Vancouver. The work plan was developed to strengthen Canada's competitive advantages and accelerate economic growth, create jobs and increase shared prosperity.

Contacts

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British Columbia Ministry of Jobs, Trade and Technology
778 698-2892

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ATIA - 21(1)(a)
ATIA - 21(1)(b)

CONNECT TO INNOVATE (CTI) PROGRAM

(As of Jan. 14, 2019)

CTI Key Statistics

- [redacted]
- **Funding was announced for 181 projects** in 11 provinces and territories.
- [redacted]
- These 181 projects will improve Internet connectivity in more than **900 communities,** which triples the 300 communities initially targeted by CTI.
- Of these communities, **190 are Indigenous communities.**
- **1,238 anchor institutions** will benefit with new access to high capacity networks.
- This represents **19,500 km of fibre network** to be installed – about the distance from St John's to Vancouver, through Whitehorse, Yellowknife, Iqaluit, Labrador City and back to St John's.

CTI Progress in Negotiations

- 91 projects have moved from conditional approval to final approval, for a total value of $254M [redacted]
  - Prairies and Western Region: 7 projects for a total value of $25.2M
  - Quebec: 13 projects for a total value of $103.2M
  - Ontario: 3 projects for a total value of $7.1M
  - North (YK, NWT, NU): 2 projects for a total value of $79.9M
  - British Columbia: 2 project for a total value of $4.0M

Examples of CTI Projects

- Gwaii Communications in BC has started building a backbone and last mile network to improve broadband capacity to communities and underserved households;
- NorthwesTel is building ground infrastructure to enable next-gen satellite service for all of Nunavut, and has launched upgraded service;
- Telus has started building an all-fibre network for a large part of Eastern Québec;
- Bell Canada has started adding high-capacity fibre connections to connect many communities in Atlantic Canada to a fibre backbone network;
- Valley Fibre has started building out their fibre network to small communities surrounding Winkler, MB, providing them with class-leading connectivity;
- Tamaani Internet is performing a detailed marine survey of fibre routes for Nunavik communities, clearing the way for the first undersea fibre-optic cable deployment in Arctic Canada;
- Sasktel is in the process of upgrading key network components to provide improved connectivity to rural communities;

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- Many projects championed by MRC's in Quebec are now under way, including MRC Brome-Missiquoi (Internet Haut-Richelieu), MRC Maskinongé (Maskicom) and MRC de Bécancour. Construction for MRC Argenteuil is set to commence imminently.

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Connect to Innovate

Background

- Budget 2016 committed $500 million until 2021, for a new program to extend and enhance broadband service in rural and remote communities.
- The Government of Canada launched the CTI program on December 15, 2016.
- A national call for applications closed on April 20, 2017.
- CTI funding is directed to new backbone infrastructure in rural and remote communities across Canada. Building this infrastructure is the modern equivalent of building roads or railway spurs into rural and remote areas, connecting them to the global economy. This backbone infrastructure is often fibre optic-based, but can be comprised of a range of technologies including microwave and satellite service.
- While the focus of CTI is on new backbone infrastructure, during extensive consultations stakeholders identified additional needs and therefore eligible under the program are also backbone capacity upgrades and resiliency, and last-mile infrastructure projects to households and businesses.
- CTI supports new "backbone" infrastructure to connect institutions like schools and hospitals with a portion of funding for upgrades and "last-mile" infrastructure to households and businesses.
- All projects funded under the program must be open to third parties for dedicated capacity purchases on a wholesale or retail basis.

Assessment Criteria

- CTI received 892 applications requesting $4.4B in assistance. These were thoroughly reviewed against the program criteria and eligible projects.
- Assessment of CTI projects was designed to offer the greatest value for Canadians in terms of extending robust, affordable broadband service to underserved communities and ensuring that both network providers and projects of various sizes be considered. Ultimately, the Minister selected a mix of projects that best met the program's objectives.
- Applications were assessed using a three-stage assessment process (eligibility screening, essential criteria, and comparative criteria).

1. At the **eligibility screening stage**, the assessment determined whether:
    - the applicant is an entity that is eligible for funding
    - eligible activities related to backbone (new, upgrade or resiliency) and last-mile (new or partially served) are proposed
    - applications identify eligible communities that have a population of less than 30,000 (backbone projects)
    - applications identify at least one anchor institution per project to be connected (backbone, new or upgrade)
    - applications propose to improve access for households with speeds of at least 5/1 Mbps (last-mile)
    - evidence has been provided to support justification for partially served last-mile

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- eligible costs and a funding plan have been identified and funding request does not exceed amounts identified by the program
- applications identify a commitment to provide open access to infrastructure funded in whole or in part by the program.

2. Projects screened as eligible underwent an assessment of **essential criteria**, including:
   - Technological merit and appropriateness in terms of implementing a high-capacity infrastructure that can deliver reliable speeds to users within a community and minimum capacity requirements are met.
   - The extent to which the application demonstrated a feasible project management plan.
   - The assessment examined the sustainability of the proposed technology solution and whether the applicant had a reasonable plan and the financial potential to maintain the infrastructure and services on an ongoing basis for five years after the project is completed.

3. Applications that passed the two initial stages of screening and assessment were then assessed against a series of **comparative criteria** that examined community benefits, partnerships, and costs.

   For backbone projects, example of factors considered included:

   - Number of targeted communities to be connected, points of presence (POPs).
   - Number and type of anchor institutions to be connected, applications had to connect at least one anchor institution as part of a new or upgrade project.
   - Level of service improvement and community uses that would result from the implementation of the proposed project including potential impacts on residential uses, small business uses, mobile wireless uses.
   - Open access pricing, the monthly pricing charged to third parties, including anchors for dedicated capacity.

   For last-mile projects, examples of factors considered included:

   - Level of improvement, comparing existing last-mile speed and new maximum residential and business speeds.
   - Population coverage, number of households and businesses to be connected and hexagons covered.
   - Coverage ratio, extent to which the application demonstrates coverage saturation within the area to be served (i.e., percentage of underserved households within the targeted area).
   - Level of overbuild with existing service providers already providing 5/1 Mbps service, important to minimize duplication and overbuild of existing networks.
   - Proposed service offerings, competitive advertised download and upload speeds and the standalone monthly price of service.
   - Cost per household is based on the funding amount contributed by CTI per household proposed to be served.

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  - Overlap with other applications proposing to serve the same area.
  - Level of evidence to justify partially-served last-mile projects, a justification that provided detailed evidence for each area targeted was required.

- Partnerships, particularly contributions from other sources were part of the comparative criteria. The Minister also had a goal to leverage from applicants or other funders dollar per dollar the investment of CTI funding, a key consideration in project selection.
- Taken together, selected projects provided a good regional distribution and allowed the program to reach as many communities as possible.

[redacted]

- Once projects are selected, they are considered to be conditionally approved, pending a due diligence process and the negotiation of contribution agreements.
- Due diligence and negotiations are underway for all projects.
- Of the 892 applications submitted, [redacted]
- To date, the Minister has [redacted] in each region of Canada and announced 180 of these.
- [redacted]
- [redacted]
- [redacted]

ATIA - 21(1)(a)
ATIA - 21(1)(b)

CONNECTING CANADIANS PROGRAM (CCP)

SPEAKING POINTS

- ISED received over 300 applications from Internet service providers across Canada by the time the call for applications closed on January 12, 2015.
- In **total 87 projects were funded** under CCP. There are projects in all provinces and territories.
- To date, 40 **out of 87 of CCP projects are fully completed**.
- [redacted]
- Once all projects are completed, **CCP will connect 300,000 households** exceeding program target of 280,000 households.

BACKGROUND

- CCP is the Government's 2014 initiative to provide 280,000 households with broadband Internet access.
- The Government allocated $305 million over five years to address gaps in the delivery of broadband Internet at speeds of at least 5 megabits per second (Mbps).
- A Northern component targeting remote, satellite-dependent communities in Nunavut and the Nunavik region of northern Quebec has a speed target of 3 to 5 Mbps.
- **With the reallocation of funds to the Connect to Innovate program in 2016, CCP funding to the 87 projects is $209M.**
- There are 49 recipients. The majority (39) are small internet service providers while 6 are medium-sized companies and 4 are large telecommunications providers.
- Announcements of successful CCP projects began in May 2015 and since then **all CCP projects have been announced**.
- [redacted]

Examples of CCP Projects

- Columbia Basin Broadband Corporation of British Columbia, in partnership with the Columbia Basin Trust, has provided access to new or improved high-speed Internet to residents of an important number of rural households and communities of the Columbia Basin region.
- Arrow Technology Group improved broadband Internet access for households in rural and remote areas of northern of Alberta.
- goZoom has doubled their coverage area and increased available service speeds up to 2x previously available in Eastern Ontario.

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CONNECTING CANADIANS PROGRAM

The following is some history on the Connecting Canadians Program.

Background

- CCP was launched on July 22, 2014 as a key component of Digital Canada 150.
- The program's goal was to extend and enhance broadband internet service for an additional 280,000 Canadian households in rural and remote areas.
    - In most parts of the country this meant supporting projects that would increase speeds to at least 5 Mbps download and 1 Mbps upload and for communities in Nunavut and Nunavik region of northern Quebec it meant supporting projects that would provide at least 3-5 Mbps (down) and 512 kbps (up) for households that rely on satellite service for which service agreements that expired in 2016.
- In October 2014, updated coverage maps were published and the call for applications was opened.
- On January 12, 2015, the call for applications for CCP closed. There were 335 applications received, 265 met the program's screening requirements and essential criteria (technology solution, project management, and agreement to provide open access) and were also assessed against the program's comparative criteria which included: affordability, cost, scalability, sustainability, population coverage (number of households and hexagons), proposed coverage ratio (percentage of underserved households within targeted area), timelines (would projects be completed before July 2017, Canada's 150th), and partnerships.

Projects selected

- At the end of April/early May 2015, the Minister initially selected 74 projects from the options presented, some from each province.
    - A key consideration for the Minister's office in selecting these projects was [redacted]
    - There were 11 Xplornet projects selected, mostly large projects that targeted about a third of all the households that CCP projects would connect. Xplornet contributed significantly to their projects.
    - [redacted]
    - A significant amount of funds were still not committed at this time.

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[redacted]

- Offer top-notch technological solutions that will provide leading edge service to rural and First Nations community with capacity to scale well into the future, justifying their higher initial cost per household [redacted]

- In May and June 2015, the Minister selected a few more additional projects, in total conditionally approving 95 projects. Some of these projects were amalgamated where it made sense to do this.
- In winter 2016, the new Minister conditionally approved about a dozen projects in hard to reach areas, including those that targeted Indigenous communities (identified above).
- The end result was 87 projects were conditionally approved.

Implementation and Update on Funding

- CCP did leveraged partner funding from British Columbia's National Development Initiative Trust, Nova Scotia, Quebec's Société Plan Nord, Indigenous Services Canada and the Atlantic Canada Opportunities Agency. Total amount from partners was small compared to ISED's contribution.
- CCP provided cost sharing up to 50% funding towards projects in rural areas and up to 75% in Nunavut and Nunavik. In total, the program contributed almost 40% toward total project costs while applicants contributed almost 60%, other partners (other federal, provincial, municipal) contributed about 1-2%.
- There was $65M in uncommitted funds that was contributed towards CTI program costs which consisted of existing and new reference level funding.
- [redacted]
- In the end, CCP is forecast to spend just under $210M, original program allocation was $290M in grants and contributions, $15M for administration and delivery of the program.

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Other considerations

- CCP exceeded its household target and is projected to connect over 300,000 underserved households.
- To date most projects have built their networks however final reports and claims are still coming in so they are not yet considered complete. We estimate that through these networks approximately two thirds of the targeted households now have access to service.
- While the targeted speed of the program is 5/1 Mbps, many projects provide higher speeds.
- After CCP was completed, ISED's coverage showed that there were still many hard to reach areas that were not served, e.g., Labrador coast, still no business case. Applicants have applied to serve these areas through CTI.

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INVESTING IN CANADA

$180 + BILLION INFRASTRUCTURE PLAN OVER 12 YEARS



Create
long-term economic growth

Build
inclusive communities

Support
a low carbon, green economy

PUBLIC TRANSIT
$28.7 BILLION

Build new urban transit networks and service extensions that will transform the way Canadians live, move and work.

Budget 2016: $3.4 billion

Budget 2017: $20.3 billion

Canada Infrastructure Bank: $5 billion

GREEN
$26.9 BILLION

Ensure access to safe water, clean air, and greener communities where Canadians can watch their children play and grow.

Budget 2016: $5 billion

Budget 2017: $16.9 billion

Canada Infrastructure Bank: $5 billion

SOCIAL
$25.3 BILLION

Provide adequate and affordable housing and child care as well as cultural and recreational centers that will ensure Canada's communities continue to be great places to call home.

Budget 2016: $3.4 billion

Budget 2017: $21.9 billion

TRADE AND TRANSPORTATION
$10.1 BILLION

Provide safe, sustainable and efficient transportation systems that will bring global markets closer to Canada to help Canadian businesses compete, grow and create more middle-class jobs.

Budget 2017: $5.1 billion

Canada Infrastructure Bank: $5 billion

RURAL AND NORTHERN COMMUNITIES
$2 BILLION

Grow local economies, improve social inclusiveness and better safeguard the health and environment of rural and northern communities.

Budget 2017: $2 billion

In addition, the $400 million Arctic Energy Fund will be delivered under this stream to support energy security in the territories.

✓ DELIVERING THE PLAN

BILATERAL AGREEMENTS
Achieve national objectives while providing provinces, territories and municipalities with the flexibility to meet their infrastructure priorities

DISASTER MITIGATION AND ADAPTATION FUND
Help communities adapt to a changing climate while mitigating the impacts of future disasters

CANADA INFRASTRUCTURE BANK
Help public dollars go farther and build more infrastructure projects

SMART CITIES CHALLENGE
Challenge communities of all sizes to improve the lives of their residents through innovation, data and connected technology

INVESTING IN INDIGENOUS COMMUNITIES
Improve community infrastructure and create new opportunities

The Investing in Canada plan also includes $92.2 billion for existing and renewed infrastructure programs such as the federal Gas Tax Fund that provides over $2 billion every year to municipalities.

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INFRASTRUCTURE CANADA **BILATERAL AGREEMENTS** WITH PROVINCES AND TERRITORIES

Investments delivered by Infrastructure Canada through bilateral agreements with provinces and territories will streamline the delivery of funding. These agreements will ensure that federal investments help achieve national objectives, while providing the flexibility for provinces, territories and municipalities to meet their infrastructure investment priorities.

BUDGET 2016 INVESTMENTS

Accelerated federal investments providing short term funding for the rehabilitation, repair, and modernization of existing infrastructure.

CLEAN WATER & WASTEWATER FUND

PUBLIC TRANSIT INFRASTRUCTURE FUND

BUDGET 2017 INVESTMENTS

Delivered over the next decade, this predictable source of funding will support local priorities and help communities across the country prosper and innovate. Infrastructure Canada funding will be delivered through bilateral agreements with provinces and territories under four streams:

PUBLIC TRANSIT | **COMMUNITY, CULTURE AND RECREATION** | **GREEN** | **RURAL AND NORTHERN COMMUNITIES**

Under these integrated bilateral agreements, the Government of Canada will invest up to:

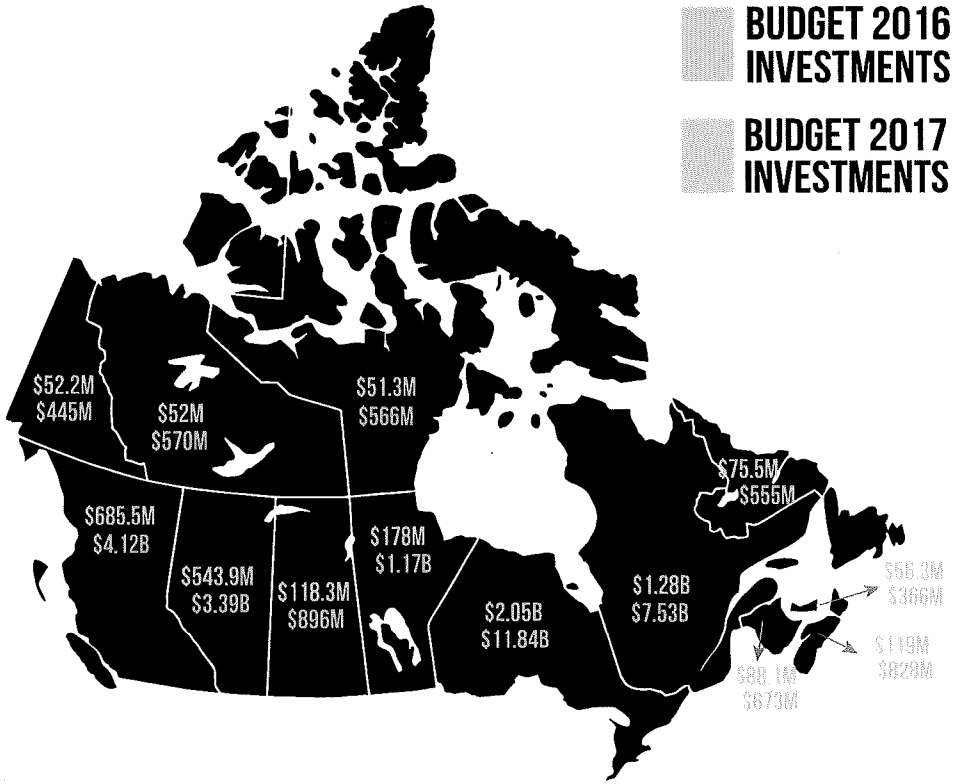
- 40% of municipal* and not-for-profit projects in the provinces;
- 50% of provincial* projects;
- 75% for projects in the territories and for projects with Indigenous partners;
- 25% of for-profit private sector projects (except in the Community, Culture and Recreation Stream, where for-profit private sector projects are not eligible).

Provinces will have to cost-share municipal projects at a minimum of 33.33% of eligible costs.

* For public transit, Canada will invest up to 50% for rehabilitation projects and up to 40% of new public transit construction and expansion projects.

* For projects under the Rural and Northern Communities stream, Canada will invest up to 50% for provincial, municipal and not-for-profit projects, and up to 60% for municipal projects in the provinces where municipalities have a population of less than 5,000.

ALLOCATIONS BY PROVINCE AND TERRITORY



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INVESTING IN CANADA PLAN: OVERVIEW OF FUNDING BY DEPARTMENT: $180+B

$92.2B EXISTING FUNDING + $14.4B BUDGET 2016 + $81.2B BUDGET 2017

$113.7B — INFRASTRUCTURE CANADA

Existing Funding
- Multiple initiatives over 12 years ($57.5B)[1]

Budget 2016
- Public Transit Infrastructure Fund ($3.4B)
- Clean Water and Wastewater Fund ($2B)
- Municipalities for Climate Innovation Program ($75M)
- Municipal Asset Management Program ($50M)
- Codes, Guides and Specifications for Climate-Resilient Public Infrastructure ($40M)
- New Building Canada Fund – National and Regional Projects ($21.3M)

Budget 2017
- Investing in Canada Infrastructure Program ($33.1B)
- Canada Infrastructure Bank ($15B)
- Disaster Mitigation and Adaptation Fund ($2B)
- Smart Cities Challenge ($300M)

[1] *This includes the GST Rebate which is administered by CRA.*

$5.75B — TRANSPORT CANADA

Existing Funding
- One initiative over 5 years ($341M)

Budget 2017
- National Trade Corridors Fund ($2B)
- Connecting Communities by Rail and Water ($1.925B)[R]
- Oceans Protection Plan ($1.325B)[R]
- Modernizing Transportation ($76.7M)
- Trade and Transportation Information System ($50M)
- Climate Risk Assessments ($16.4M)
- Heavy-Duty Vehicle and Off-Road Regulations ($16M)

[R] *Include funding to support capital projects where costs are amortized over the useful life of the asset. The 11-year totals include the remaining amortization amounts beyond 2027-28.*

$2.65B — INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT CANADA

Budget 2016
- Post-Secondary Institutions Strategic Investment Fund ($2B)
- Connect to Innovate ($500M)

Budget 2017
- Innovation Superclusters Initiative ($150M)

$32.8B — CANADA MORTGAGE AND HOUSING CORPORATION

Existing Funding
- Existing Housing Programs over 12 years ($17.3B)

Budget 2016
- Investment in Affordable Housing ($504.4M)
- Renovation and Retrofit of Social Housing ($574M)[F]
- Increasing Affordable Housing for Seniors ($200.7M)
- Renovation and Retrofit On Reserve ($127.7M)
- Northern Housing ($97.7M)
- Supporting Shelters for Victims of Family Violence ($89.9M)
- Shelters for First Nations Victims of Family Violence ($10.4M)
- Aboriginal Capacity and Skills Development ($10M)

Budget 2017
- FPT Housing Partnership Framework ($7.7B)
- National Housing Co-Investment Fund ($5.1B)
- Other National Housing Strategy Initiatives ($1.1B)

[F] *A portion of this envelope ($77M) is federally delivered, thus not under a bilateral agreement.*

$967.5M — NATURAL RESOURCES CANADA

Budget 2016
- Electric Vehicle and Alternative Fuel Infrastructure Deployment and Technology Demonstration ($62.5M)
- Green Municipal Fund ($62.5M)
- Regional Electricity Cooperation and Strategic Infrastructure ($2.5M)

Budget 2017
- Clean Energy for Rural and Remote Communities ($220M)
- Emerging Renewable Power ($200M)
- Energy Efficient Buildings ($182M)
- Electric Vehicle and Alternative Fuel Infrastructure ($120M)
- Smart Grid ($100M)
- Building Resilience and Adaptation Capacity and Expertise (BRACE) ($16M)
- National-Scale Knowledge Synthesis and Dissemination ($2M)

INITIATIVES DELIVERED THROUGH BILATERAL AGREEMENTS ARE IN BLUE

$21.2B — INDIGENOUS SERVICES CANADA

Existing Funding
- Six initiatives over 12 years ($14.6B)

Budget 2016
- Water and Wastewater ($1.8B)
- On-Reserve Housing Funds ($416.6M)
- Health Facilities Program ($270M)
- First Nations Infrastructure Fund – Cultural and Recreational Centers ($76.9M)
- Aboriginal Head Start on Reserve ($51.2M)

Budget 2017
- Improving Indigenous Communities ($4B)
- Capital Facilities and Maintenance program ($15M)

$11.8B — EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA

Existing Funding
- Two initiatives over 12 years ($1.96B)[W]

Budget 2016
- Early Learning and Child Care ($400M)
- Homelessness Partnering Strategy ($111.77M)
- First Nations and Inuit Child Care Initiative ($62.8M)
- Enabling Accessibility Fund ($4M)

Budget 2017
- Early Learning and Child Care ($5.3B)
- Indigenous Early Learning and Child Care Transformative Initiative ($1.7B)
- Homelessness Partnering Strategy ($2.13B)
- Enabling Accessibility Fund ($77M)
- Women in Construction Fund ($10M)

[W] *One initiative ($1.6B) is shared with ISC and PHAC.*

$908.2M — CANADIAN HERITAGE

Existing Funding
- One initiative over 12 years ($360M)

Budget 2016
- Canada Cultural Spaces Fund ($168.2M)

Budget 2017
- Canada Cultural Spaces Fund ($300M)
- Community Educational Infrastructure ($80M)

$2B — FINANCE CANADA

Budget 2017
- Reserved Green Funding ($2B)

$1B — HEALTH CANADA

Budget 2017
- Home Care Infrastructure ($1B)

$644.5M — CROWN-INDIGENOUS RELATIONS AND NORTHERN AFFAIRS CANADA

Budget 2016
- Inuit Housing ($80M)
- First Nations Waste Management Initiative ($408.9M)

Budget 2017
- Indigenous Community-Based Climate Monitoring Program ($72.7M)
- Climate Change Preparedness in the North Program – Implementation of Adaptation Actions in the North ($55.9M)
- First Nation Adapt Program – Flood Plain Mapping ($27M)

$170.4M — ENVIRONMENT AND CLIMATE CHANGE CANADA

Budget 2016
- Green Municipal Fund ($62.5M)

Budget 2017
- Canadian Centre for Climate Services ($107.9M)

$296M — REGIONAL DEVELOPMENT AGENCIES

Existing Funding
- One initiative over 2 years ($146M)

Budget 2016
- Canada 150 Community Infrastructure Program ($150M)

$20M — PARKS CANADA

Budget 2016
- National Cost-Sharing Program for Heritage Places ($20M)

$15.4M — PUBLIC HEALTH AGENCY OF CANADA

Budget 2016
- Aboriginal Head Start in Urban and Northern Communities ($15.4M)

Information accurate as of November 14, 2018, and is subject to change.

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Investments in Rural Communities

Infrastructure Canada (INFC) funding to communities with a population under 100,000 approved since November 2015

Summary by province / territory

Prepared by RBI, IFR data as of 2019-01-09

Region	Projects	Contribution
British Columbia	260	$1,218,301,171
Alberta	175	$415,999,418
Saskatchewan	213	$208,323,254
Manitoba	143	$385,752,515
Ontario	1274	$364,804,732
Quebec	325	$1,168,192,621
New Brunswick	194	$434,657,209
Nova Scotia	104	$249,260,910
Prince Edward Island	68	$128,205,030
Newfoundland and Labrador	328	$219,730,176
Yukon	66	$451,191,166
Northwest Territories	74	$281,967,397
Nunavut	21	$331,296,526
Total	**3245**	**$5,857,682,124**

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INFC funding to communities with a population under 100,000 approved since November 2015
British Columbia

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Infrastructure Program		
Investing in Canada Infrastructure Program - Green Infrastructure Stream	1	$34,308,048
Investing in Canada Infrastructure Program - Public Transit Infrastructure Stream	4	$58,378,398
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	167	$175,382,757
Investing in Canada Plan - Public Transit Infrastructure Fund	8	$83,894,260
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	21	$813,065
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	11	$1,422,200
Legacy Programs		
New Building Canada Fund - National and Regional Projects	19	$571,851,192
New Building Canada Fund - National Infrastructure Component	1	$215,198,500
New Building Canada Fund - Small Communities Fund	23	$42,398,530
Building Canada Fund - Major Infrastructure Component	5	$34,654,221
Total	**260**	**$1,218,301,171**

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INFC funding to communities with a population under 100,000 approved since November 2015

Alberta

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Plan (Phase 2)		
Investing in Canada Plan - Smart Cities Challenge	2	$500,000
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	66	$196,714,130
Investing in Canada Plan - Public Transit Infrastructure Fund	54	$13,949,011
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	31	$2,124,636
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	6	$494,000
Legacy Programs		
New Building Canada Fund - National and Regional Projects	15	$198,717,641
Building Canada Fund - Major Infrastructure Component	1	$3,500,000
Total	**175**	**$415,999,418**

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INFC funding to communities with a population under 100,000 approved since November 2015

Saskatchewan

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	100	$58,935,106
Investing in Canada Plan - Public Transit Infrastructure Fund	2	$1,406,930
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	29	$967,499
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	2	$256,300
Legacy Programs		
New Building Canada Fund - National and Regional Projects	23	$114,460,855
New Building Canada Fund - Small Communities Fund	57	$32,296,564
Total	**213**	**$208,323,254**

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INFC funding to communities with a population under 100,000 approved since November 2015

Manitoba

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Plan (Phase 2)		
Investing in Canada Plan - Disaster Mitigation and Adaptation Fund	1	$247,500,000
Investing in Canada Plan - Smart Cities Challenge	1	$250,000
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	51	$83,422,024
Investing in Canada Plan - Public Transit Infrastructure Fund	42	$3,166,869
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	5	$378,060
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	3	$201,800
Legacy Programs		
New Building Canada Fund - National and Regional Projects	4	$40,900,000
New Building Canada Fund - Small Communities Fund	36	$9,933,762
Total	**143**	**$385,752,515**

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INFC funding to communities with a population under 100,000 approved since November 2015

Ontario

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Plan (Phase 2)		
Investing in Canada Plan - Smart Cities Challenge	2	$500,000
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	948	$153,509,115
Investing in Canada Plan - Public Transit Infrastructure Fund	193	$31,161,647
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	63	$3,242,046
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	13	$1,730,840
Legacy Programs		
New Building Canada Fund - National and Regional Projects	4	$84,620,421
New Building Canada Fund - Small Communities Fund	49	$50,000,183
Building Canada Fund - Major Infrastructure Component	2	$40,040,480
Total	**1274**	**$364,804,732**

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INFC funding to communities with a population under 100,000 approved since November 2015

Québec

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Plan (Phase 2)		
Investing in Canada Plan - Smart Cities Challenge	1	$250,000
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	172	$262,252,900
Investing in Canada Plan - Public Transit Infrastructure Fund	11	$10,863,734
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	3	$384,340
Legacy Programs		
Building Canada Fund - Major Infrastructure Component	1	$18,639,322
New Building Canada Fund - National and Regional Projects	4	$317,174,176
New Building Canada Fund - National Infrastructure Component	1	$389,661,618
New Building Canada Fund - Small Communities Fund	132	$168,966,532
Total	**325**	**$1,168,192,621**

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INFC funding to communities with a population under 100,000 approved since November 2015

New Brunswick

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Infrastructure Program		
Investing in Canada Infrastructure Program - Community, Culture, & Recreation Infrastructure Stream	1	$360,000
Investing in Canada Infrastructure Program - Rural & Northern Infrastructure Stream	1	$1,825,275
Investing in Canada Plan (Phase 2)		
Investing in Canada Plan - Smart Cities Challenge	1	$250,000
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	126	$77,546,186
Investing in Canada Plan - Public Transit Infrastructure Fund	4	$8,652,604
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	24	$1,222,452
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	7	$3,526,900
Legacy Programs		
New Building Canada Fund - National and Regional Projects	15	$264,368,785
New Building Canada Fund - National Infrastructure Component	1	$68,300,000
New Building Canada Fund - Small Communities Fund	14	$8,605,007
Total	**194**	**$434,657,209**

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INFC funding to communities with a population under 100,000 approved since November 2015

Nova Scotia

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Infrastructure Program		
Investing in Canada Infrastructure Program - Community, Culture, & Recreation Infrastructure Stream	1	$4,430,400
Investing in Canada Plan (Phase 2)		
Investing in Canada Plan - Smart Cities Challenge	1	$250,000
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	66	$57,766,758
Investing in Canada Plan - Public Transit Infrastructure Fund	8	$1,275,171
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	4	$479,573
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	2	$223,100
Legacy Programs		
New Building Canada Fund - National and Regional Projects	11	$142,973,821
New Building Canada Fund - Small Communities Fund	10	$35,432,086
Building Canada Fund - Major Infrastructure Component	1	$6,430,000
Total	**104**	**$249,260,910**

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INFC funding to communities with a population under 100,000 approved since November 2015

Prince Edward Island

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	47	$44,489,499
Investing in Canada Plan - Public Transit Infrastructure Fund	2	$653,400
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	1	$19,125
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	2	$140,600
Legacy Programs		
New Building Canada Fund - National and Regional Projects	13	$63,854,181
New Building Canada Fund - Small Communities Fund	2	$63,225
Green Infrastructure Fund	1	$18,985,000
Total	**68**	**$128,205,030**

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INFC funding to communities with a population under 100,000 approved since November 2015

Newfoundland & Labrador

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	127	$60,753,307
Investing in Canada Plan - Public Transit Infrastructure Fund	2	$138,293
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	10	$345,840
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	2	$127,440
Legacy Programs		
New Building Canada Fund - National and Regional Projects	17	$126,152,570
New Building Canada Fund - Small Communities Fund	169	$31,615,737
Building Canada Fund - Major Infrastructure Component	1	$596,989
Total	**328**	**$219,730,176**

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INFC funding to communities with a population under 100,000 approved since November 2015

Yukon

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Program	Projects	Contribution
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	20	$51,165,275
Investing in Canada Plan - Public Transit Infrastructure Fund	1	$890,000
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	1	$45,432
Legacy Programs		
New Building Canada Fund - National Infrastructure Component	1	$247,381,000
New Building Canada Fund - Small Communities Fund	43	$151,709,459
Total	**66**	**$451,191,166**

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INFC funding to communities with a population under 100,000 approved since November 2015

Northwest Territories

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Infrastructure Program		
Investing in Canada Infrastructure Program - Arctic Energy Fund	1	$30,000,000
Investing in Canada Infrastructure Program - Green Infrastructure Stream	1	$14,100,000
Investing in Canada Plan (Phase 2)		
Investing in Canada Plan - Smart Cities Challenge	1	$250,000
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	29	$51,193,997
Investing in Canada Plan - Public Transit Infrastructure Fund	1	$320,000
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	1	$311,400
Investing in Canada Plan - Municipalities for Climate Innovation Program (delivered by FCM)	1	$52,000
Legacy Programs		
New Building Canada Fund - Small Communities Fund	39	$185,740,000
Total	**74**	**$281,967,397**

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INFC funding to communities with a population under 100,000 approved since November 2015

Nunavut

Prepared by RBI, IFR data as of 2019-01-09

Program	Projects	Contribution
Investing in Canada Infrastructure Program		
Investing in Canada Infrastructure Program - Green Infrastructure Stream	1	$26,223,750
Investing in Canada Plan (Phase 2)		
Investing in Canada Plan - Smart Cities Challenge	1	$250,000
Investing in Canada Plan (Phase 1)		
Investing in Canada Plan - Clean Water and Wastewater Fund	4	$50,823,435
Investing in Canada Plan - Municipal Asset Management Program (delivered by FCM)	1	$60,719
Legacy Programs		
New Building Canada Fund - National and Regional Projects	1	$30,000,000
New Building Canada Fund - Small Communities Fund	13	$223,938,622
Total	**21**	**$331,296,526**

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SMART CITIES CHALLENGE

The Government of Canada challenged communities, large and small, to come forward with their best ideas to improve the quality of life of their residents through innovation, data and connected technology.

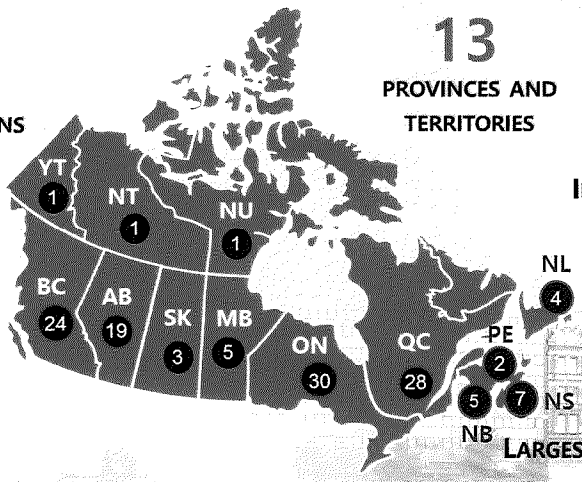
COMPETITION ONE - APPLICATIONS - APRIL 2018

130 ELIGIBLE APPLICATIONS

225 PARTICIPATING COMMUNITIES

19 GROUP APPLICATIONS

22,000,000 CANADIANS REPRESENTED



13 PROVINCES AND TERRITORIES

25 APPLICATIONS REPRESENTING INDIGENOUS COMMUNITIES OR FOCUSSED ON INDIGENOUS POPULATIONS

SMALLEST COMMUNITY: 185

LARGEST COMMUNITY: 2,700,000

AND BENEFITS WILL SPREAD TO MORE COMMUNITIES BY TRANSFERRING SUCCESSFUL SMART CITIES PROJECTS AND SHARING IDEAS AND LESSONS LEARNED

$5M — 44 applications

ONE PRIZE OF UP TO $5 MILLION FOR ALL COMMUNITIES WITH A POPULATION UNDER 30,000

$10M — 70 applications

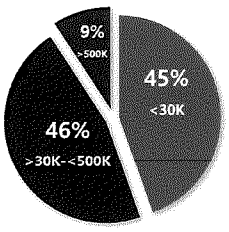
TWO PRIZES OF UP TO $10 MILLION FOR ALL COMMUNITIES WITH POPULATIONS UNDER 500,000

$50M — 16 applications

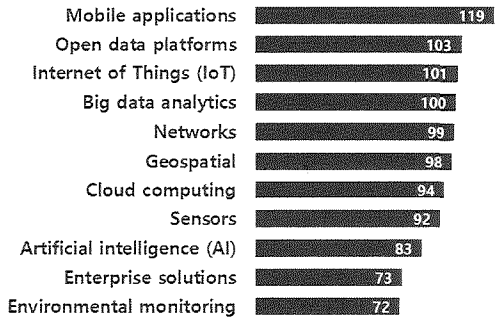
ONE PRIZE OF UP TO $50 MILLION OPEN TO COMMUNITIES OF ALL SIZES

APPLICATION	SELECTION OF FINALISTS	FINAL PROPOSAL	SELECTION OF WINNERS	IMPLEMENTATION
LAUNCH	APPLICATION SUBMISSION DEADLINE APRIL 24, 2018	FINALIST ANNOUNCEMENT SUMMER 2018	FINAL PROPOSAL SUBMISSION DEADLINE WINTER 2018/19	WINNER ANNOUNCEMENT SPRING 2019

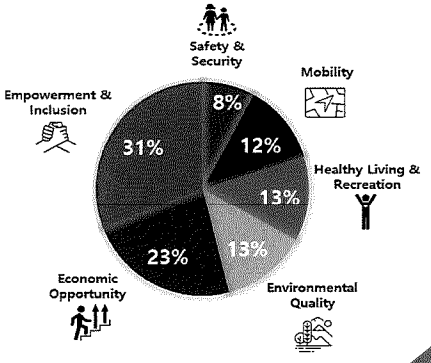
APPLICANTS - COMMUNITY SIZE



TOP TEN TECHNOLOGIES IDENTIFIED BY APPLICANTS FOR THEIR PROJECTS



FOCUS AREAS IDENTIFIED BY APPLICANTS FOR THEIR PROJECTS



MEANINGFUL IMPACTS

REALIZE OUTCOMES FOR RESIDENTS	Communities will measure where they are starting from, when they are making progress, and when they have achieved success. Establishing a baseline and measuring results will be central to achieving outcomes.
EMPOWER COMMUNITIES TO INNOVATE	Communities should think big and identify solutions to their significant, persistent problems.
FORGE NEW PARTNERSHIPS AND NETWORKS	Communities will undertake meaningful engagement with residents and forge relationships with new and non-traditional partners.
SPREAD THE BENEFIT TO ALL CANADIANS	Smart Cities approaches should not only benefit a single community, they should be scalable and replicable across Canada.

MORE INFORMATION IS AVAILABLE AT IMPACT.CANADA.CA.
FOLLOW THE SMART CITIES CHALLENGE ON TWITTER (#SMARTCITIESCANADA).

Canada

Key Stakeholders

Stakeholders from Rural and Northern communities will want to meet with you. They will likely raise common concerns over broadband service, transportation, resource development, planning and asset management, and awareness and access to federal funding. In addition, northern and remote communities are likely to raise concerns over the impacts of climate change, energy, food security, housing and public health.

Key Stakeholder groups include:

The Federation of Canadian Municipalities (FCM): The FCM represents over 2000 Canadian municipalities on national policy issues. The vast majority of public infrastructure in Canada is owned and operated at the municipal level, and infrastructure funding is a key preoccupation for this national lobbying association.

The FCM has been a longstanding advocate for greater financial support to fund the public infrastructure needs Canadian municipalities, particularly for transit and housing. Vicki-May Hamm, President of the FCM, will be attending the upcoming Cabinet Retreat meeting on January 16-18, [redacted]

Members of the Rural Forum of the FCM will be particularly interested to meet with you, including the Forum **President, Ray Orb**, who is also the President of the Saskatchewan Association of Rural Municipalities and the **First Vice-President, Bill Karsten**, who is also a councillor with the Halifax Regional Municipality. The full list of forum members is available at https://fcm.ca/home/about-us/rural-forum.htm

The Canadian Rural Revitalization Foundation (CRRF): established in 1989, the CRRF works to contribute to the revitalization and sustainability of rural Canada through collaborative research for rural leaders in the community, private sector, and in all levels of government. Through research, consultations and advocacy, **CRRF** seeks to improve understanding of issues and opportunities that are of common interest to rural residents across Canada.

CRRF explores a diversity of issues, ranging from rural health and social pro- vision, local and regional economies, local government and community governance, education, organization development, environmental management and stewardship, and many others facets of life and livelihood in rural Canada. Each year, **CRRF** co-hosts a national conference to share lessons learned, research findings, and discuss key rural issues. This year's conference will be held in St John's. In addition to the national conference, **CRRF** hosts and participates in workshops, forums, and symposia to advance rural issues in Canada. www.crrf.ca.

Provincial Rural Municipal Associations: Associations of rural municipalities in provinces and territories bring together municipal politicians and officials to discuss issues of mutual interest. (e.g. Saskatchewan Association of Rural Municipalities, Rural Municipalities of Alberta, Rural Ontario Municipal Association). See the Key Events and Opportunities document for upcoming meetings.

Broadband Stakeholders: INFC is consulting with ISED regarding broadband stakeholders to consult early in your mandate and will return to you with this information.

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National Indigenous Organizations

There is increasing expectation by the Government of Canada and Indigenous Peoples for federal departments to develop more direct funding relationships with Indigenous communities, in support of Nation-to-Nation relationships. This includes increased engagement with National Indigenous Organizations (NIOs).

Context

INFC's relationship with Indigenous Peoples is evolving. Under INFC's legacy programs, some Indigenous communities were eligible to receive funding under certain circumstances, usually in partnership with municipalities or provinces and territories (PTs). All Indigenous communities are now eligible to receive funding under the Investing in Canada Infrastructure Program (ICIP) and Disaster Mitigation and Adaptation Fund (DMAF); however, projects under ICIP must still be prioritized by PTs. Several Indigenous communities are finalists under the Smart Cities Challenge (SCC).

The Government has established permanent, distinctions-based bilateral mechanisms with Inuit, First Nations and Métis peoples. These groups are led by three NIOs: The Inuit Tapiriit Kanatami (ITK), the Assembly of First Nations (AFN), and the Métis National Council (MNC). The permanent bilateral mechanism processes with these groups involve multiple departmental and ministerial meetings throughout the year, leading to an annual report to the Prime Minister. While there are a number of other Indigenous organizations, two additional NIOs have well-established relationships with the Government of Canada: 1) the Congress of Aboriginal Peoples (CAP), which represents some off-reserve status and non-status Indians, Métis not represented by the Métis National Council (i.e., Métis east of Ontario) and Southern Inuit Aboriginal Peoples; and 2) the Native Women's Association of Canada (NWAC), which represents First Nations, Métis and Inuit women.

INFC Indigenous engagement to date has primarily focused on the ITK, AFN, and MNC. Some direct community engagement has been conducted through the Smart Cities Challenge. Through correspondence and meetings in 2017 and 2018, the NIOs expressed concern over program design including:

- the lack of a direct funding relationship under ICIP (i.e. the need to access funds through PTs);
- the high project cost threshold for projects under DMAF; and
- the requirement for Indigenous not-for-profits to partner with other recipients in order to access funding (non-Indigenous not-for-profits have no such requirement).

The AFN represents the largest and most wide-spread population of the three distinctions-based NIOs. First Nations communities have a very diverse set of priorities and economic capacities. In 2018, the AFN re-elected its National Chief, Perry Bellegarde for a 3-year term. [redacted]

INFC is working with the AFN on issues of program access. Environment and Climate Change Canada (ECCC) has established tables with the NIOs to support the implementation of the Pan Canadian Framework on Climate Change. We are on a working group with ECCC and

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the AFN to examine challenges for First Nations in accessing federal infrastructure programs. This includes examining best practices and innovative funding models.

The MNC delivers services to a wide-spread population with no clearly defined geographic communities. After many years of MNC advocating for distinctions-based funding for the Métis Nation, the Government of Canada has expanded funding directly to the MNC and its Governing Members for the design, delivery, and administration of Métis-specific services. For example, Minister Philpott recently announced the signature of a Housing "sub-accord" with the MNC and its Governing Members that will be funded by a $500 million investment from Budget 2018 over 10 years. MNC can be expected to continue to press for "sub-accords" with federal departments implicated in areas that have been identified as part of their permanent bilateral mechanism called the "Canada Métis Nation Accord." The MNC has identified economic development as a priority under the permanent bilateral mechanism. They have asked INFC to participate in interdepartmental meetings on the topic given the importance of infrastructure to economic development.

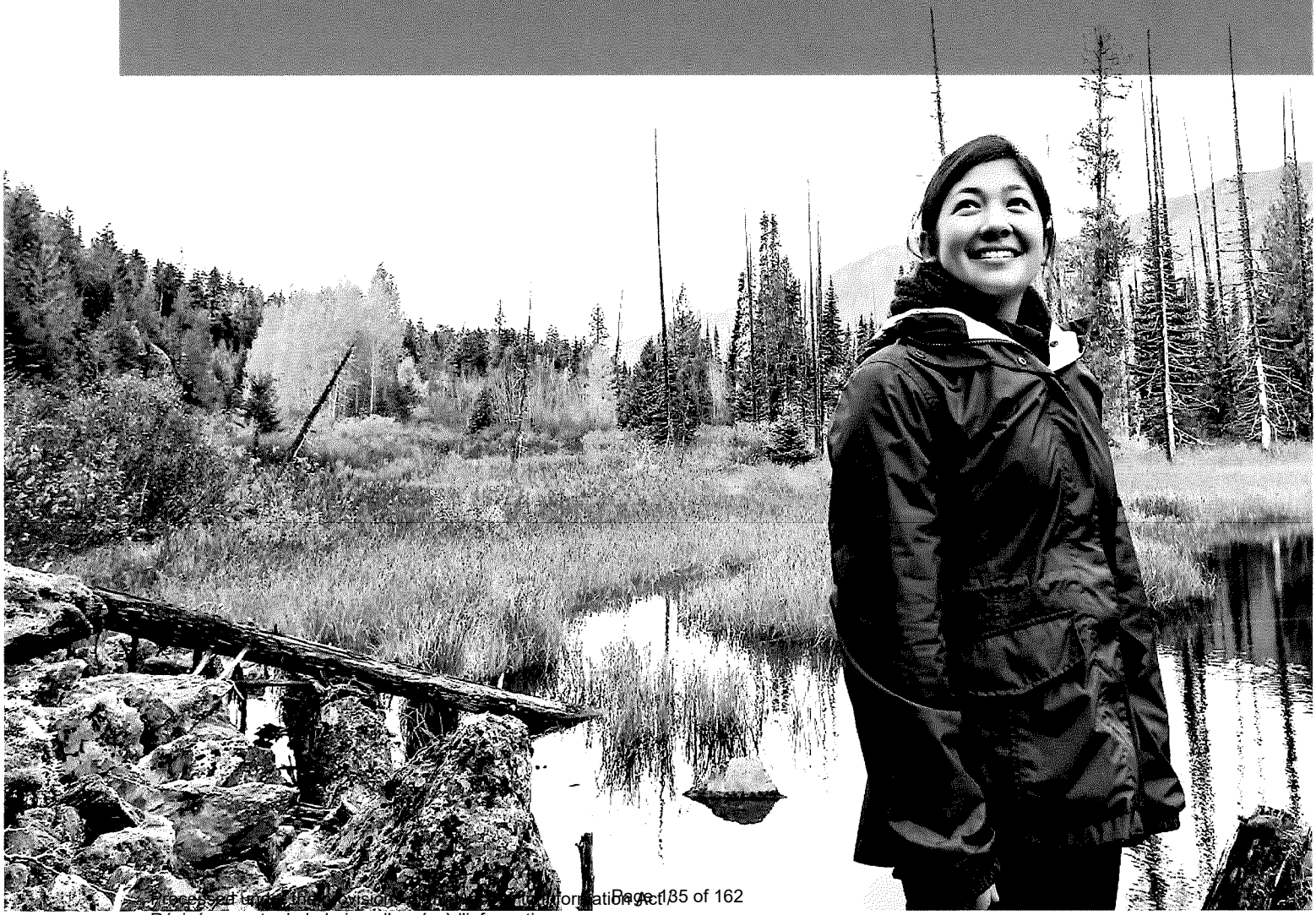
The ITK has a clear geographic scope but limited financial capacity. It represents a majority population in land claim regions (known as Inuit Nunangat). The ITK has long advocated for increased investment in direct housing infrastructure for Inuit, regularly drawing the link between overcrowding/inadequate housing and higher rates of diseases such as tuberculosis among Inuit. This issue can be expected to remain high among ITK's priorities given the rapid rate of Inuit population growth. More broadly, the ITK has identified infrastructure generally as a priority under the permanent bilateral mechanism. They aim to develop long term infrastructure plans with the support of INFC and other key departments.

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FCM FEDERATION OF CANADIAN MUNICIPALITIES | FÉDÉRATION CANADIENNE DES MUNICIPALITÉS

Rural challenges, national opportunity

Shaping the future of rural Canada



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Acknowledgements

This guide was made possible thanks to the leadership of FCM's Rural Forum. FCM also acknowledges the expertise and professionalism provided by the Rural Development Institute at Brandon University, who spearheaded the analysis of economic and demographic trends in Statistics Canada's data. We also want to thank members of the Canadian Rural Revitalization Foundation for offering their time to review this report and enhance our recommendations. Finally, FCM thanks its rural members from across the country who shared their stories and the innovative solutions we can achieve when we work together.

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Introduction

Rural communities are essential to Canada's prosperity and to the Canadian experience.

People are drawn to the vast landscapes, small-town friendliness and quieter way of life that small communities can offer. And in the age of online connectivity, rural Canada is becoming more desirable for business investment. The combination of affordable land and improved broadband access means people can work from anywhere—and increasingly they are choosing rural communities.

Still, with limited fiscal capacity, rural governments face formidable challenges providing the infrastructure that's needed to build the communities of the future. Municipalities shoulder 60 per cent of Canada's public infrastructure, with access to just eight–10 cents of each tax dollar. This fuels a fiscal squeeze that peaks in rural communities with lower ratepayer densities and continuing youth out-migration.

Local governments have a strong track record of delivering remarkable, innovative and cost-effective solutions to local needs. What they do not have is flexibility to deal with financial and administrative bottlenecks when building better roads, wastewater treatment and other local infrastructure projects. Predictable funding allocations, fair-cost sharing, flexible fund stacking rules, and streamlined administrative requirements are keys to getting projects moving in rural Canada.

With the right tools, rural governments are ready to build more livable and prosperous communities that can attract the talent they need to thrive well into the future. With smart decisions from the federal government, we can kick-start renewed growth and quality-of-life improvements in rural and remote communities across the country.

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FCM: The national voice of rural Canada

FCM has been the national voice of municipal government since 1901. With nearly 2,000 member municipalities, we represent the interests of local governments on policy and program matters that fall within federal jurisdiction. FCM members include Canada's largest cities, small urban and rural communities, and 18 provincial and territorial municipal associations.

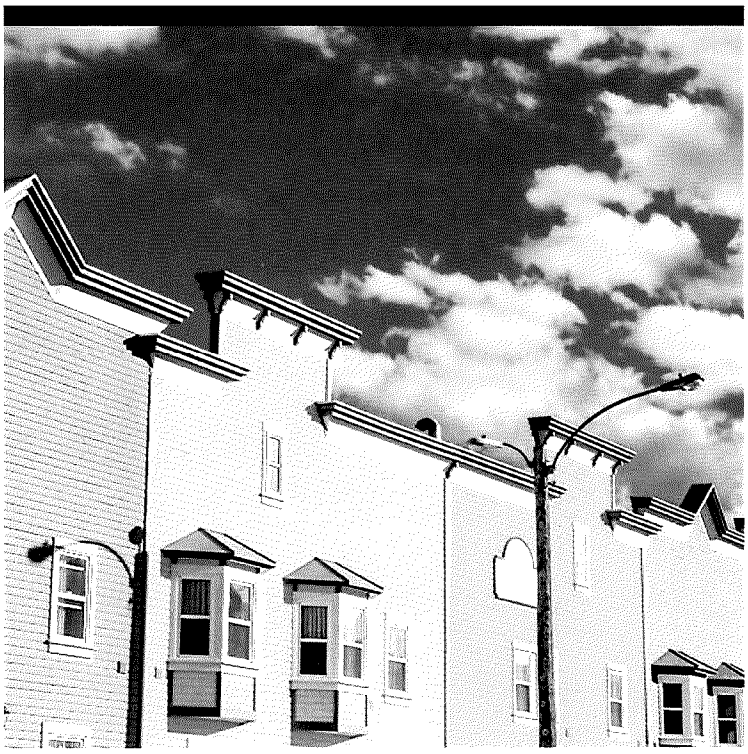
FCM's Rural Forum was established in 2001 with a mandate to advocate for rural communities and provide local governments in rural areas with greater access to FCM. The Rural Forum is made up of FCM member municipalities that are located in rural regions, along with urban communities with rural areas or significant rural interests.

The Rural Forum meets quarterly to identify and discuss issues of national significance for rural Canada, including rural infrastructure, rural economic development and broadband connectivity. Strengthened by the Forum's insight and leadership, FCM has in recent years secured unprecedented federal investment and influence for rural communities.

Rural leadership is shaping Canada

Rural communities play a crucial role in nation-building. Throughout this report, we profile rural communities that are showing leadership in shaping Canada's future. These communities have remained resilient, adapting to familiar challenges facing their communities—including aging populations, the closure of a major local employer, or limited access to the communications infrastructure that we all need to remain competitive.

These communities are putting forward innovative projects to tackle these challenges and continue to succeed in the 21st century. They represent the diversity of FCM's rural



membership, which includes towns, villages, counties and regional municipalities of various sizes from coast to coast to coast. Along the way, they partnered with stakeholders, neighbouring communities and other orders of government to turn their visions into reality.

That's why FCM continues to work with the federal government to champion rural issues. In this report, we offer recommendations for the federal government on how to support and grow rural Canada. We are working to ensure that federal policies and programs reflect rural priorities, so that we can scale-up local solutions and build more sustainable rural communities like those profiled in this report.

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The state of rural Canada



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Rural Canada is diverse

According to the 2016 Census, 90 per cent of Canada's municipalities are located outside census metropolitan areas (CMAs), and they are home to just over 10 million Canadians—almost one-third of the country's population[1]. However, rural realities vary across the country.

Rural Canada is extremely diverse in terms of population size, density and degree of remoteness or proximity to urban centres. For example, a rural township of 11,000 in the Greater Toronto Area and a large municipal district of 13,000 in northern Alberta experience very different lifestyles, opportunities and challenges. Therefore, narrow definitions or a "one-size-fits-all" approach to rural policy will not work. Solutions to rural problems must reflect rural Canada's diversity.

Rural Canada is growing overall, but at a slower pace than Canada's CMAs. From 2001 to 2016, Canada's non-metro[2] population grew by 5.5 per cent, while Canada's overall growth rate was 16.9 per cent[3]. However, it's clear that rural Canada is not growing everywhere. Rural Canada is growing near cities, in cottage-country and other desirable retirement locations, in northern areas with higher Indigenous birth rates, and in a few areas with resource development on the rise.

We also know that Canada continues to rapidly urbanize. In fact, 13 of the top 25 fastest-growing communities outside CMAs were peripheral municipalities located within Statistics Canada's census agglomerations (CAs)[4]. These are areas that consist of neighbouring municipalities situated around a core of at least 10,000 people.

Rural Canada drives national prosperity

Rural communities make significant contributions to Canada's economic growth, employing over four million Canadians and generating 27 per cent of national GDP.[5] Rural areas supply food, water and energy for rapidly growing urban centres and sustain industries that contribute to Canada's economic prosperity. Rural communities also provide important recreational opportunities for urban Canadians and international visitors.

Rural GDP growth by province or territory

	Share of GDP in non-metro area	Non-metro GDP growth 2011/16
Canada	27.1%	1.2%
Newfoundland and Labrador	52.6%	-6.5%
Prince Edward Island	100%	7.4%
Nova Scotia	46.2%	-3.0%
New Brunswick	58.5%	-1.6%
Quebec	29.9%	5.9%
Ontario	16.3%	-1.6%
Manitoba	34.2%	5.3%
Saskatchewan	49.5%	-1.1%
Alberta	29.9%	-4.5%
British Columbia	28.9%	10.5%
Yukon	100%	7.1%
Northwest Territories	100%	9.4%
Nunavut	100%	11.8%

(Statistics Canada, 2013, Statistics Canada, 2017)

Rural Canada continues to create jobs across different sectors of the economy, with job growth of over seven per cent over fifteen years from 2001 to 2016. In 2016, almost 23 per cent of Canadians worked in rural communities. Much of this job growth was driven by the health care and social services (37.4%) that support changing rural communities, construction (62%), and

1 Statistics Canada, 2017

2 In this report, metro Canada is defined as the area categorized as a Census Metropolitan Area (CMA) in the Statistical Area Classification (SAC) of Statistics Canada. A census metropolitan area (CMA) is formed by one or more adjacent municipalities centred on a population centre or core. A CMA must have a total population of at least 100,000 of which 50,000 or more must live in the core. Meanwhile, non-metro Canada is defined as areas that are not categorized as a CMA in Statistics Canada's SAC.

3 Statistics Canada, 2017

4 Statistics Canada, 2017

5 Note that the 2016 GDP of CMAs was not accessible at the time of publication. The latest CMA GDPs released by Statistics Canada are from 2013. Therefore, we used the number of employed people of a given economic sector in CMAs and in non-metro areas to weight the share of GDP that comes from the non-metro areas of a given province or territory, following Bollman and Ashton (2014).

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Profile in municipal innovation: Baie-Saint-Paul, Quebec

In May 2005, the Town of Baie-Saint-Paul became the first municipality in Quebec to adopt Local Agenda 21, a sustainable development strategy for the 21st century that responds to local issues and recognizes the value of the community's cultural heritage. The plan incorporated the perspectives of community members, particularly young people, and the sustainable development principles adopted by 172 nations in the 1992 Rio Declaration.

The plan is based on four fundamental concepts: economic development, environmental protection, social equity, and cultural vitality. Baie-Saint-Paul's cultural policy and Local Agenda 21 have prioritized the inclusion of culture in land-use planning to develop a community that complements and respects its cultural and natural heritage. The Town is collaborating with local agricultural producers in implementing policies to preserve the Gouffre River basin and with the MRC de Charlevoix to preserve the region's natural environment.

This land initiative, support for cultural vitality in public spaces, and a policy promoting public arts have resulted in lively, attractive streets and spaces that have a strong identity. Ultimately, the Local Agenda 21 cultural policy has made culture an essential part of sustainable development and improved the appeal of the area for tourists, businesses and new residents.

professional, scientific and technical services (47.5%), mirroring the broad economic and demographic shifts experienced in Canadian communities of all sizes.

Rural employment in 2016

Sector	Number employed
Total employed, all industries, all Canada	18,079,900
Total employed, all industries, non-metro	4,113,000
Services-producing sector, non-metro	2,754,000
Goods-producing sector, non-metro	1,359,000
Wholesale and retail trade	639,400
Health care and social assistance	591,900
Manufacturing	485,500
Construction	406,200
Accommodation and food services	282,200
Educational services	245,500
Agriculture	234,300
Transportation and warehousing	214,200
Forestry, fishing, mining, quarrying, oil and gas	204,300
Other services (except public administration)	197,400

(Statistics Canada, 2017)

Rural Canada is changing

Rural municipalities are on the front lines of the demographic changes that have accompanied our increasingly urbanized and knowledge-based economy. For example, rural communities are attracting a growing number of retired Canadians who need access to a range of goods and services, such as preventative health and social services and seniors' housing. While the population of seniors aged 55 and older is increasing in both metropolitan and rural regions, smaller communities will have fewer resources to help.

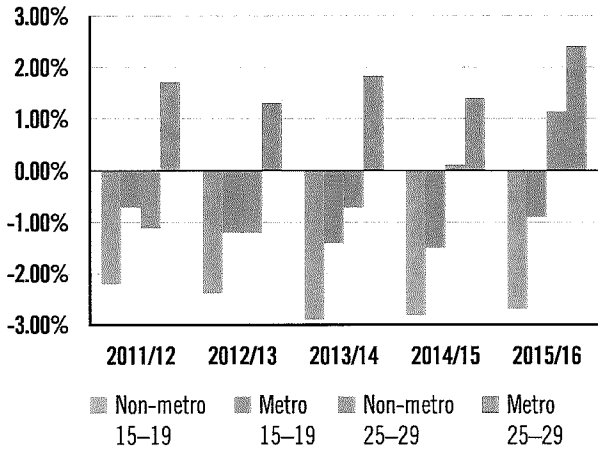
Youth retention is also critical to ensuring the long-term economic vitality of rural Canada. However, limited services in rural communities and greater access to learning and employment opportunities in cities have drawn young people to Canada's metropolitan areas. In fact, the population of youth aged 15 to 19 in rural Canada declined by 10 per cent between 2011 and 2016[6].

6 Statistics Canada, 2017

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When young people finish training at Canada's colleges and universities, they are less likely to seek employment opportunities in rural communities, where the population of youth aged 24 to 29 has grown just three per cent between 2011 and 2016[7]. Attracting more young and talented workers will be essential to ensure rural Canada continues to thrive.

Youth growth rates in urban and rural Canada



(Statistics Canada, 2017)

As rural populations continue to age, these trends show that rural Canada's workforce has decreased. Between 2001 and 2016, the number of potential workers has continuously decreased from 1,475,220 to 1,131,830 (-23.3%)—whereas the number of potential retirees has continuously increased from 1,015,940 to 1,701,540 (+40.3%). In 2001, there were approximately 1.5 potential labour market entrants for each potential retiree in non-metro Canada. By 2016, there were approximately 0.7 potential labour market entrants for each potential retiree[8].



Profile in municipal innovation: Rural Halifax

At 5,500 km², Halifax, Nova Scotia, is Canada's largest municipality geographically—and has the largest rural share of total population (19.8%) among cities with a population above 250,000. However, its urban and rural communities often face very different challenges and opportunities.

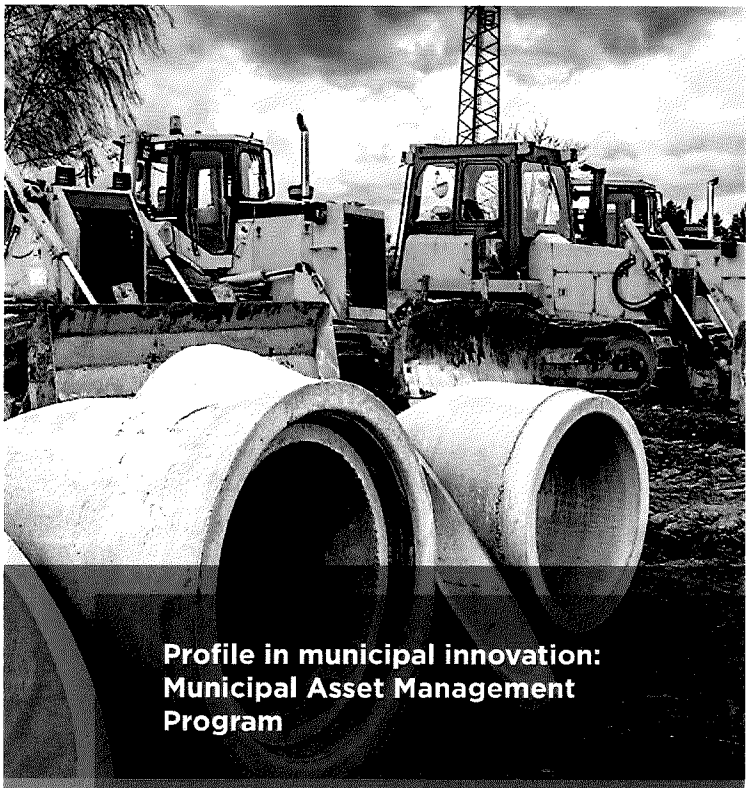
To promote innovative solutions to these challenges and capitalize on opportunities, the annual Halifax Index now includes a "Rural Halifax Profile," providing a tailored analysis of changing economic conditions. The Halifax Index is a definitive look at the city's story—the strength of its economy, the health of the community, and the sustainability of the environment. It provides insights for actions that will strengthen and grow the city.

The Index also serves as the city's report card on progress toward the goals set out in the Halifax Economic Growth Plan. It recognizes the intrinsic value of the rural-urban lifestyle in Halifax that few other big cities in Canada can offer.

7 Statistics Canada, 2017

8 Statistics Canada, 2017

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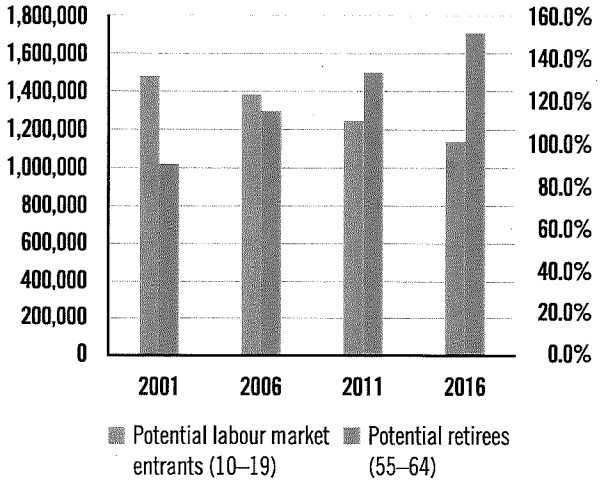


Profile in municipal innovation: Municipal Asset Management Program

Aging infrastructure, competing priorities and limited budgets. These are some of the challenges municipalities face in making infrastructure decisions today. FCM's Municipal Asset Management Program (MAMP) is a five-year, $50-million program designed to help Canadian municipalities make evidence-based infrastructure investment decisions that make infrastructure dollars go further.

Through flexible grant funding, communities can take on the asset management projects that matter most to them. The Town of Churchbridge, Saskatchewan, is using MAMP funding to better understand what it needs to do to maintain municipal buildings, roads, water and wastewater assets over the long term. A group of neighbouring municipalities, including two Rural Municipalities and three Towns, is working with MAMP to develop a common language and metrics that will help them plan for infrastructure investments that strengthen the region into the future.

Working age population in non-metro Canada



(Statistics Canada, 2017)

Rural municipal leaders are working hard to address this demographic shift. They recognize that strategies to promote economic development require new approaches to attract people to rural communities. To secure the talent and skills needed to generate local economic growth, these communities must attract and retain new residents, including young people, immigrants and Indigenous people. Retention requires having the right supports in place. For example, immigrants who find themselves unemployed or underemployed often turn to local governments for help, and whether they remain in the community depends on whether they find appropriate supports.

Municipalities are also working with other orders of government to attract and integrate newcomers by providing essential community services. These include libraries, public transit, child care, recreational facilities and, in some jurisdictions, affordable housing.

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Rural Canada is raising capacity through partnerships

The most significant challenge facing many rural communities is limited financial and human resources. FCM research found that roughly 60 per cent of Canadian municipalities have five staff members or less. This lack of capacity is one reason why programs that succeed in urban communities do not necessarily work in rural communities. An important solution is to share tools and resources through partnerships with federal and provincial/territorial governments, Indigenous neighbours and other municipalities of all sizes. Programs must build on community priorities and offer flexibility

If urban centres are Canada's engines of growth, rural communities fuel these engines. Strong rural communities deliver significant advantages to Canada's rapidly growing urban centres, and rural leaders are partnering with their urban counterparts to drive regional economic development. We need to better understand the interdependencies between urban and rural Canada and how the health and success of one affects the other. Federal policies and programs must also adapt to the different realities in rural and urban areas and help facilitate regional partnerships.

Rural municipalities are also partnering with their Indigenous neighbours to better deliver essential services and advance reconciliation efforts. Municipal elected officials across rural Canada are increasingly speaking about the need for municipalities to support reconciliation with Indigenous peoples and governments to address complex socio-economic issues, often rooted in Canada's history of colonialism and the residential school legacy.

Positive relations between municipal governments and Indigenous governments rely on pragmatic cooperation, including service-delivery agreements, joint meetings and Indigenous representation on relevant boards and agencies. Municipalities may also pair with neighbouring Indigenous communities to jointly pursue social and economic development opportunities.

FCM's award-winning Community Infrastructure Partnership Program (CIPP) and Community Economic Development Initiative (CEDI) are forging stronger and more productive relationships between municipal and Indigenous neighbours. These partnerships help reduce costs of providing services, enhance social and economic development, and build capacity within both Indigenous and municipal governments.



Profile in municipal innovation: Winkler, Manitoba

Winkler, Manitoba, is a 90-minute drive southwest of Winnipeg. The community has grown by three to four per cent per year over the past 12 years, evolving into the industrial and commercial centre for southern Manitoba. To help attract and retain residents, the municipality has played an active role in purchasing land for industrial development, providing business incubation space and increasing the stock of affordable housing.

Municipal leaders also work with local businesses and an immigration consulting company to aggressively recruit skilled workers from abroad and support their applications to the Manitoba Provincial Nominee Program. As a result, Winkler has welcomed new residents originating from 88 different countries and 29 per cent of residents in the most recent Census were foreign-born.

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Shaping the future of rural Canada



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The first half of this report reveals that rural communities are essential to Canada's prosperity, generating 27 per cent of national GDP—and significantly more in some provinces. But with limited fiscal capacity, rural governments face formidable challenges in providing the infrastructure and services communities need to grow and thrive.

Rural communities are forging partnerships with key stakeholders. Through FCM, they are also urging federal leadership to develop new programs and strategies to tackle rural challenges, recognizing these communities' unique needs.

Investing in the foundations of rural communities

Municipalities own nearly two-thirds of the core infrastructure assets—roads, bridges, water and wastewater facilities—that are critical to Canadians' quality of life and our country's competitiveness. Yet many rural municipalities with limited tax bases and capacity struggle to meet their infrastructure needs.

FCM's advocacy has driven major successes on behalf of rural communities, including an unprecedented 11-year infrastructure plan. The $2 billion, 11-year Rural and Northern Communities Fund will support better roads and bridges, clean water, wastewater treatment and a full range of rural transportation needs.

In February 2018, the government announced an increase to its cost-share under the rural fund, stating it will fund up to 60 per cent of eligible infrastructure costs in communities under 5,000 people. Larger rural and northern communities will continue to receive funding for up to 50 per cent of eligible costs, or up to 75 per cent for projects in the three territories.

This is one example of how applying a "rural lens" to infrastructure program design and policy could make a big difference for small and remote communities. Getting this right would enhance rural economic development and community resiliency.

A rural lens would recognize rural Canada's diversity by ensuring that eligibility criteria for all infrastructure programs consider the breadth of priority projects in rural communities. It would serve less populated, more remote or more fiscally constrained municipalities. And it would incorporate project categories that would be eligible under the new fund for rural and northern infrastructure.

Streamlining the administration of infrastructure projects would help rural communities access funds efficiently and fairly. It would help municipalities leverage regional partnerships by providing the flexibility and support for rural municipalities to bundle regional projects and achieve economies of scale.

OUR RECOMMENDATIONS:

- **Apply a "rural lens" to eligibility criteria for all federal infrastructure programs to empower smaller communities to directly fund pressing local needs.**
- **Design future rural infrastructure programs to provide long-term predictable funding to support the capital priorities of local governments, with flexibility for eligibility thresholds to be negotiated between provinces/territories and their respective municipal associations.**
- **Continue federal engagement with FCM throughout the rollout of the Investing in Canada plan to ensure that rural communities have access to the right tools to transform their communities.**

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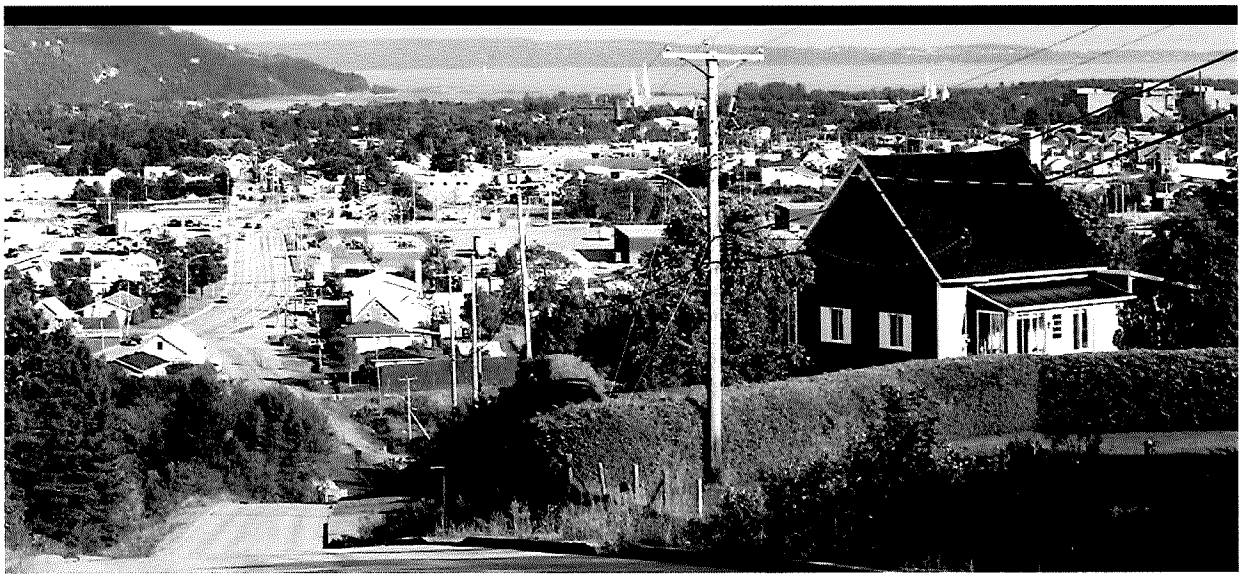
FCM's rural advocacy: a success story

FCM's strong advocacy has led to the biggest investment in rural infrastructure in a generation, including through the 11-year Investing in Canada infrastructure plan. The 2015 federal election strategy executed by FCM solidified the narrative that local governments are central to the success of our economy and country—and solidified FCM as our united national voice.

Post-election, FCM's Rural Forum remained focused on further developing and communicating rural community priorities through the *Action Plan for a Strong Rural Canada*. Our members—municipal leaders—met repeatedly with MPs, made submissions and spoke to parliamentary committees. FCM forged deep relationships with federal decision-makers at every level, ensuring that our rural voice is strong in Ottawa and in every riding across Canada.

Turning the federal government's rural commitments into outcomes will require ongoing engagement with local governments, to leverage their local expertise and experience. Now is the chance for FCM's rural members to ensure that the federal government gets it right and structures infrastructure investments in a way that empowers rural communities.

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Building next-generation telecommunications infrastructure

High-speed internet access is crucial to doing business and running local public services. In rural Alberta, municipalities say that local physicians have difficulty accessing health records and electronic data due to unreliable broadband at hospitals, clinics and patients' homes.

As one rural physician explained: "Unfortunately, there have been many situations where patient care could have been significantly improved if faster upload and download speeds were available. As a physician in a remote location, I rely on the ability to communicate with specialists, patient data, and evidence-based medicine data to provide comprehensive care for my patients."

Through FCM's engagement in CRTC proceedings and with Innovation, Science and Economic Development Canada, rural municipalities in Alberta and across Canada brought national attention to this critical issue.

As a direct result of FCM's advocacy, the federal government recognized the importance of federal investments to improve broadband coverage and capacity for rural communities. Since 2009, rural municipal leaders from across Canada helped secure over $1 billion in federal broadband funding and played a critical role in persuading the CRTC in 2016 to declare universal access to high-speed internet an essential service.

This laid the groundwork for improved access to high-speed broadband across rural and northern Canada. Moving forward, it will be critical for the federal government to develop long-term funding mechanisms to continuously improve broadband coverage and capacity in Canada's rural and remote communities.

OUR RECOMMENDATIONS:

- **Commit long-term predictable federal funding to expanding broadband internet access in rural, northern and remote communities, and consult with local governments in developing funding programs and strategies.**
- **Consider affordability when developing broadband infrastructure, to ensure access for all Canadians, whether they live in large cities or rural, northern and remote communities.**

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Town of Faro

Profile in municipal innovation: Faro, Yukon

Since the abrupt 1997 closure of Canada's largest lead-zinc mine, vacant company housing in Faro has been an ongoing safety problem and eyesore. Nearly 20 years later, 37 properties comprising 170 dwelling units remained abandoned—owned by a bankrupt corporation that once managed housing for mine workers and owed the town $3 million in back taxes.

In January 2016, Faro's mayor and council decided that dealing with the vacant housing would be their top strategic priority. Staff devised strategies and brought forward bylaws to take ownership of the properties through the tax arrears process. By the end of the year, the town had secured possession of all of the properties.

Most of the buildings are in a poor state of repair, and about half may ultimately be torn down. In cooperation with the Yukon government, a community development team explored ways to fund hazardous materials assessments, renovation and energy retrofits. The town put the properties up for sale in July 2017. Twelve of the properties, comprising 36 dwellings, were sold by the end of the year for an average price of approximately $4,000 per unit.

Sales agreements include property tax rebates and incentives to ensure that new homeowners renovate the houses within three years. Buyers foresee a burgeoning rental housing market due to significant mine remediation work that will bring jobs to Faro in 2019. New subdivision and zoning bylaws will also enable selling off single units of some multi-dwelling buildings. But with no prospect of selling all 170 units, the town is pressing the federal government to fund demolition and cleanup costs as part of their mine remediation obligations.

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A housing strategy for rural communities

While Canada's housing crisis is commonly associated with our largest cities, rural communities across the country are also facing distinct and pressing needs. In fact, Statistics Canada's 2014 General Social Survey found that adults in rural Ontario were more likely to report experiencing homelessness or hidden homelessness than urban residents.

The launch of a 10-year, $40 billion National Housing Strategy (NHS) in November 2017 will help address this growing challenge and re-establish federal leadership on housing. FCM pressed hard for this breakthrough, and four central NHS components reflect FCM's recommendations: social housing repairs; replacement of expiring rent subsidies for existing social housing; construction of new affordable housing; and a portable housing benefit. All four components will positively impact rural communities.

The NHS offers significant funding to support existing social housing—both the buildings and the low-income households who live there—in both large cities and smaller communities. The maintenance of aging social housing has been chronically underfunded, so the commitment to repairs will see closed units re-open, and those at risk of closing continue to serve low-income households, with essential repairs undertaken.

Preserving social housing is particularly important in small communities, which are less likely to have private market rental housing affordable to low-income households. The long-term rent subsidies that made social housing affordable to vulnerable households were set to expire when the NHS was announced. The commitment to replace those expiring subsidies assures that social housing will continue to be affordable in small communities.

For example, the Native People of Sudbury Development Corporation, which operates 11 social housing units in Espanola, Ontario,

Profile in municipal innovation: Eastern Ontario Regional Network

Launched in 2010, the Eastern Ontario Regional Network (EORN) seeks to meet the urgent need of rural communities for effective, faster internet. This $175 million project, involving all orders of government as well as the private sector, was championed by the Eastern Ontario Wardens' Caucus. EORN now offers access to high-speed internet services to at least 95 per cent of homes and businesses in Eastern Ontario—a 5,500 km span with 160 access points.



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Profile in municipal innovation: The Leduc-Nisku Economic Development Association

Central Alberta's Leduc Region features a growing, dynamic economy. The Leduc-Nisku Economic Development Association, a partnership of six local municipalities, has helped develop the region into a major industrial hub. Home to the largest developed energy services industrial park in Canada, this strategic location provides one of the most comprehensive and efficient multi-modal distribution systems in North America.

While the region owes its history to oil and gas development, decades of entrepreneurialism and investment have driven a diverse industrial economic base that contributes extensively to Alberta's GDP. Major sectors include energy services, advanced manufacturing, agri-business, transportation, logistics, and distribution, aerospace and aviation, and bio-industrial.

was scheduled to lose its rent subsidies in 2019. Their low-income homes were saved when the government announced that it would renew social housing rent subsidies.

Supporting new affordable housing construction through grants and loans with favourable terms will also benefit rural communities, especially because a key input—land—is generally less expensive than in urban areas. FCM is pressing the federal government for important details on this program so that small and large communities alike can start planning their projects.

The Canada Housing Benefit, which is part of the NHS, is planned for launch in 2020 and will be delivered by provinces/territories. This cash benefit will flow to as many as 300,000 low-income households facing housing affordability challenges. While we expect it to be available in rural and urban settings alike, it may especially benefit rural communities without non-market social/affordable housing. This program will be the first of its kind at a national level.

OUR RECOMMENDATIONS:

- **Ensure accessible funding through the National Housing Strategy so that rural communities can repair and retrofit their existing social and affordable housing.**
- **Ensure that new social and affordable housing is constructed at a scale that goes a meaningful distance toward meeting the housing affordability challenges of rural Canada.**

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Connecting rural Canada to global markets

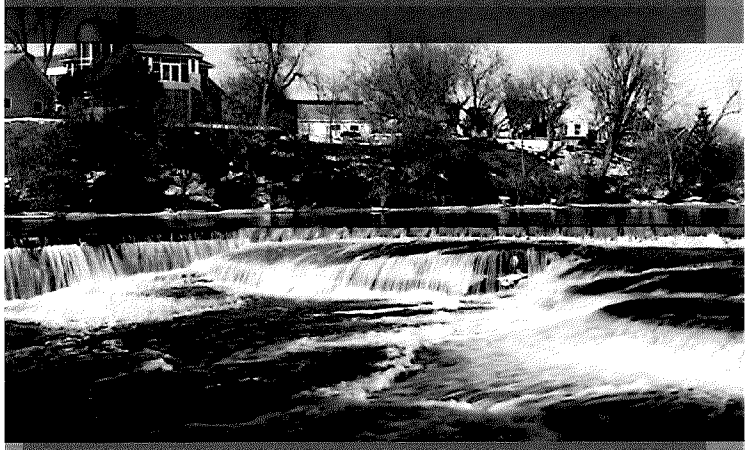
In April 2017, the U.S. imposed countervailing duties of between three and 24 per cent on Canadian exports of softwood lumber, citing unfair subsidies. The decision was the latest in a cross-border dispute over softwood lumber that has spanned decades. In response, municipal leaders from Quebec requested that FCM work with the federal government to support the interests of affected municipalities across Canada.

This and other trade disputes have had serious economic consequences for many rural communities, underscoring the need for the federal government to protect and enhance trade relationships that drive rural economic development. International trade strengthens Canada's economy, draws foreign investment to rural communities, and creates job opportunities across the country. Globalization has refocused all governments toward strengthening Canada's competitive advantage internationally.

All foreign direct investment is ultimately local investment. National governments play an important role in encouraging foreign direct investment, but those investments will inevitably be made in specific places under local jurisdiction. The investment environment of that community and the policies of that jurisdiction will inevitably shape a potential investor's decision.

Building trade links with the world is a team effort that involves communities, the private sector and every order of government. Rural communities are ready to work with the federal government to explore and seize upon opportunities to draw foreign direct investment to Canadian communities and better link Canadian goods and services to world markets.

Profile in municipal innovation: FCM's Municipalities for Climate Innovation Program



Limited resources and technical expertise restrict the ability of a rural municipality to work on climate adaptation and improve the way it rebuilds following a disaster event. MCIP was designed with this in mind and offers a mix of financial and capacity-building support, which rural municipalities can access to enhance their climate resilience.

With financial support from MCIP, the Town of Carleton Place, Ontario, is preparing a water and wastewater resiliency plan to help prepare for the impacts of fluctuating precipitation patterns they are already experiencing. In 2016, the hot and dry summer led to Level 3 (extreme) drought conditions for the Mississippi River, the town's primary drinking water source. The low flow in the river also increased the risk of algae blooms, which can cause water treatment problems. The following year, the town experienced flooding from sustained rainfall, putting pressure on the wastewater treatment plant. Carleton Place's MCIP-funded plan will help the town reduce its vulnerability to these climate impacts, as well as identify approaches for maintaining levels of service during critical times.

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Profile in municipal innovation: Halton Region, Ontario

The Halton Regional Police Service has announced plans to commission a public safety broadband network (PSBN) for day-to-day operations and emergency use. The first of its kind in Canada, this wireless data network will serve the needs of the Halton Police and, in the future, other first responders within Halton Region. Opening this network to other municipal services within Halton will ensure reliable "public safety grade" data access to regional subscribers.

Halton Region recognizes the need for predictable and reliable access to broadband data services, particularly in times of dire need—and has made great efforts to widen voice and data coverage throughout its urban and rural areas. Its initiative features a "Shared Core" model that enables other public safety agencies across Canada to leverage a hosted Public Safety LTE core. This offers significant cost savings for municipalities wishing to deploy private PSBN and will jump-start interoperability initiatives for mission critical data applications.

OUR RECOMMENDATIONS:

- **Prioritize the best interests of rural communities across Canada during trade negotiations with international partners, by:**
  - consulting with municipalities;
  - supporting communities affected by trade disputes;
  - ensuring any resulting agreement responds to local concerns on industries of strategic significance to a particular region, such as agriculture.
- **Support communities in attracting trade and investment to drive rural economies further.**

Federal-municipal partnership on trade promotion

Recognizing the important role communities play in Canada's success in the global economy, Global Affairs Canada (GAC) and FCM continue to engage through the FCM-GAC Joint Working Group on International Trade (JWG). The JWG has a mandate to serve as a federal-municipal consultation mechanism on issues related to trade and investment.

Communities of all sizes across Canada can benefit from, contribute to, and work alongside the federal government on shared trade objectives. Recently, the JWG provided input as part of ongoing federal consultations on the North American Free Trade Agreement (NAFTA) renegotiations and the softwood lumber dispute. The JWG also offers opportunities to further enhance municipal knowledge of GAC's trade and investment programs, services and activities.

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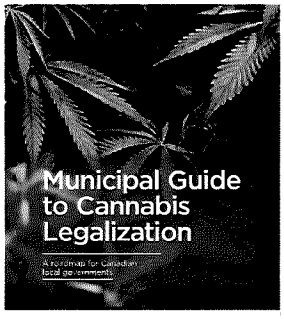
Adapting to a changing climate

In the past year alone, rural Canada has experienced some of Canada's most damaging natural disasters, such as flooding in Ontario and Quebec and wildfires across western Canada. Meanwhile, municipalities like Sackville, NB, where rising sea levels are threatening the region's system of dikes, will need to make hard decisions in the near future to respond to new challenges presented by climate change.

Rural municipalities are acutely aware of the rising costs of responding to and rebuilding from natural disasters. They are on the front lines as new weather extremes cause property damage and economic disruption. Local governments across rural Canada are demonstrating leadership by developing plans to manage risk and continue to deliver services in a world where many trusted system design approaches need to be revisited due to a changing climate.

Moving forward will require significant investment by all orders of government to ensure rural communities across Canada are resilient enough to withstand natural disasters and extreme weather. Through FCM, rural communities have come together to press the federal government to expand national disaster mitigation strategies. This should cover the full spectrum of predicted climate change impacts, going beyond flooding to include drought, forest fire and other potential impacts.

CANNABIS LEGALIZATION: KEEPING RURAL COMMUNITIES SAFE AND WELL-SERVED



When federal cannabis legislation comes into force in 2018, municipalities will be on the front lines of keeping citizens safe and well served. New local responsibilities for implementing, managing and enforcing this new reality will impose new costs. And rural and remote communities may face higher per-capita costs as they enforce bylaws and regulations in large, low-population areas.

From the earliest discussions with the federal Task Force on Cannabis Legalization and Regulation, FCM has been clear that the costs to implement and enforce the new cannabis regime should not, and cannot, be borne at the local level.

We advocated for one-third of cannabis excise tax revenues to be dedicated to municipalities to help cover all start-up and ongoing costs. FCM also maintains that other federal and provincial funding tools, such as the $81 million federal program to train police and purchase equipment, should be used to support municipal costs. Our *Municipal Guide to Cannabis Legalization* offers a roadmap to tackling issues ranging from land use management to business licensing to workplace safety. It helps encompass the tremendous scope of work that legalization will represent for local government and offers tools for rural communities to get it right.

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Improving site selection criteria for federal offices

In October 2016, Immigration, Refugees and Citizenship Canada informed its staff that it would be relocating its Vegreville, AB, case processing centre to Edmonton, costing the 5,700-person town more than 200 jobs. The town has argued this will have a major economic impact on the town and that the government has not presented a clear business case to justify the relocation, nor has it adequately consulted the community to understand its impacts.

In response to a resolution sponsored by the Town of Vegreville, FCM called on the federal government to improve its policy framework for the location, closure and relocation of federal facilities in rural communities through enhanced performance criteria and a mandate to consult the impacted community. FCM is also working with the federal government to ensure meaningful consultation with municipalities on the location of federal facilities and for decision-making to consider the unique circumstances and challenges in rural communities.

Municipalities across Canada are ready to work with the federal government to integrate climate change mitigation and adaptation goals into municipal development. With financial support from Infrastructure Canada, the launch of FCM's Municipalities for Climate Innovation Program is a welcomed commitment by the federal government to partner with us in meeting these challenges.

OUR RECOMMENDATIONS:

- **Expand national disaster mitigation strategies to cover the full spectrum of predicted climate change impacts, going beyond flooding to include drought, forest fire, and other potential impacts.**
- **Enhance federal funding for small disaster or extreme weather events so that communities of all sizes can recover and build back better.**

Promoting safer communities

As first responders in 90 per cent of all emergencies[9], municipal governments play a critical role in public safety and emergency preparedness. Canada's rural communities, however, face acute challenges in responding to emergencies and building safer municipalities.

In many rural communities across Canada, residents depend on their local Royal Canadian Mounted Police (RCMP) detachment to maintain order and keep them safe. Unfortunately, attracting and retaining police officers remains a challenge for rural communities across the country. And as vacancy rates at detachments rise above eight per cent, municipal leaders are increasingly concerned and looking for urgent federal leadership to boost RCMP ranks in their communities.

Rural municipalities are working with limited resources to appropriately fund emergency

9 Federation of Canadian Municipalities, 2006

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management systems. Residents must be able to rely on core municipal services during emergencies, but this requires collaboration among all orders of government—and the federal government must ensure that major response and recovery costs are shared.

Rural municipalities have worked with FCM to urge the federal government to expand federal disaster recovery and emergency preparedness programs. A comprehensive approach to emergency management involving all orders of government will allow Canadians to benefit from the best possible level of service, while reducing pressures on municipal budgets.

When municipalities must spend more money on policing, there are fewer resources available for public infrastructure, immigrant settlement, affordable housing, and other crucial services that contribute to building stronger rural communities. Canada needs a productive partnership on policing costs among all orders of government to ensure that citizens will benefit from the best possible level of service.

OUR RECOMMENDATIONS:

- **Expand federal disaster recovery and emergency preparedness programs and implement a comprehensive approach to emergency management.**
- **Ensure that municipalities have the financial tools to cover the enforcement and administrative costs of cannabis legalization, including a one-third municipal share of revenues from the cannabis excise tax.**
- **Ensure that federal funding for municipal policing is provided on a fair, predictable and sustainable basis that allows local governments to plan and resource policing services to meet local needs.**

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Demonstrating proactive leadership

In 2009, FCM released the report, *Wake-Up Call: The National Vision and Voice We Need for Rural Canada*. Our message was clear: rural Canada needs a federal champion and a long-term federal plan to reverse the decline in its struggling towns and villages.

In the wake of the elimination of the federal Rural Secretariat in 2013, FCM urged Ottawa to work in partnership with municipalities to develop a practical, accountable policy framework for rural Canada. We continue to call on the federal government to systematically elevate rural priorities—by working with FCM to explore a mechanism to ensure all federal policies and programs respond to the specific needs of rural communities in every region.

FCM also continues to work with the federal government to apply a "rural lens" to its programs and policies. This builds on our important gains on cost-sharing for rural infrastructure projects and recognizes the fiscal limitations and sparse populations of rural communities. Getting this right will enhance rural economic development and community resiliency.

The federal government should also support research excellence and the continuous improvement of the "rural lens" through efforts to critically evaluate, share and scale-up best practices. This would involve cutting-edge research and analysis of economic and social issues affecting rural Canada.

The existing machinery of government provides multiple access points for FCM to engage federal policymakers and build a broader understanding of rural priorities. We're looking to our federal partners to demonstrate proactive leadership in advancing these priorities across government and among federal decision-makers. This would ensure that the specific needs of rural communities

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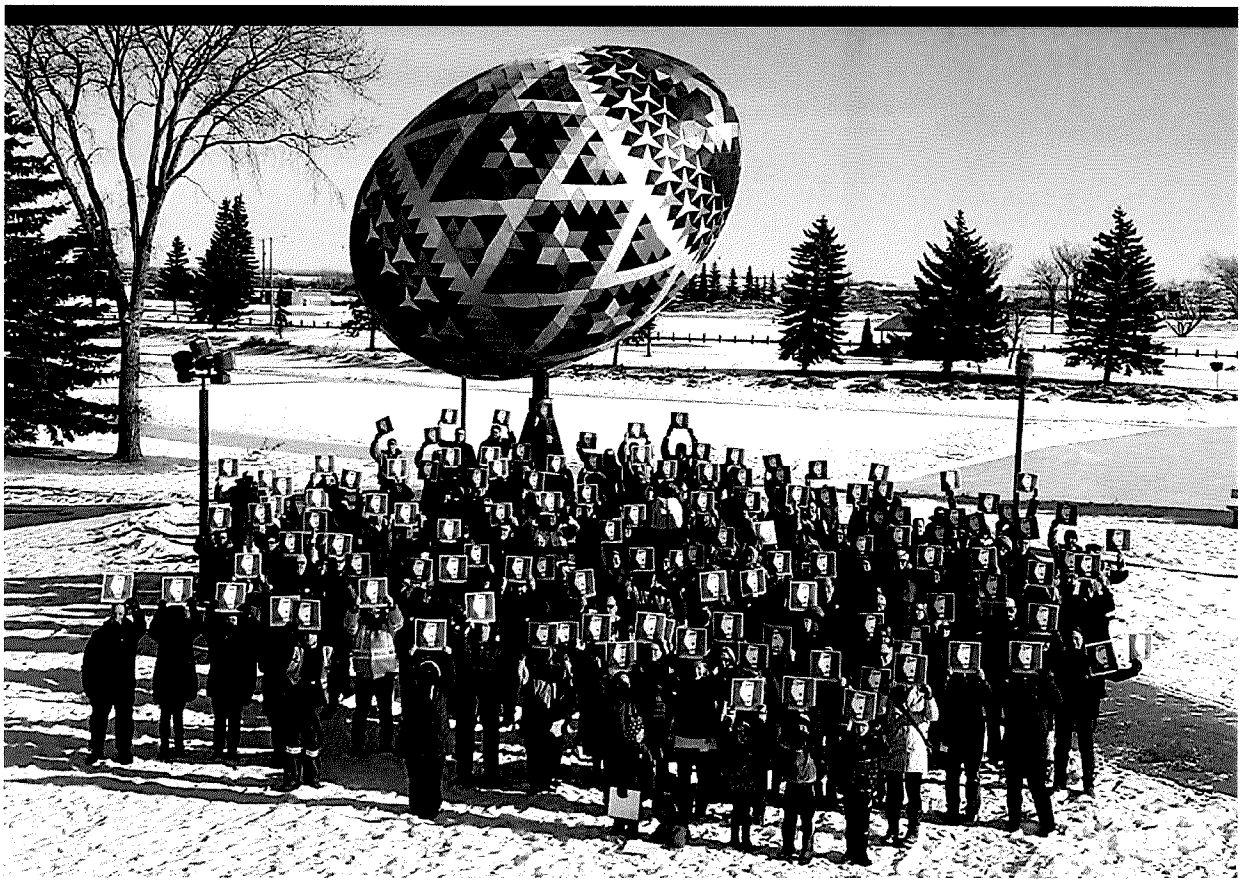
are considered in all federal programs and policies—rather than confining rural issues to "policy silos" or within a single federal department. In any scenario, it will be critical for the federal government to champion rural issues through an integrated, whole-of-government approach.

Finally, the federal government cannot develop new tools for rural economic development in isolation. Local governments are on-the-ground experts at identifying emerging rural challenges—and solutions. The federal government should provide a forum for rural communities and other stakeholders to support the development of innovative tools and programs. Federal policymakers should also bring together research partners from academia, municipal government and civil society to focus on enhancing knowledge about rural issues and to better inform policy-making.

OUR RECOMMENDATIONS:

- **Champion rural issues through an integrated, whole-of-government approach that ensures federal policies and programs reflect rural priorities.**
- **Develop a practical, accountable policy framework for rural Canada by applying a "rural lens" to federal programs and policies. This lens should recognize the fiscal limitations and sparse populations of rural communities, with the aim of enhancing rural economic development.**
- **Provide a forum for rural communities and other stakeholders to support the development of innovative tools and programs to address emerging issues facing rural Canada.**

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Community-building is nation-building

A strong and prosperous Canada depends on a thriving rural Canada. Municipal leaders in small communities are tackling 21st century challenges—from economic growth and climate change to reconciliation and strengthening partnerships with Indigenous peoples.

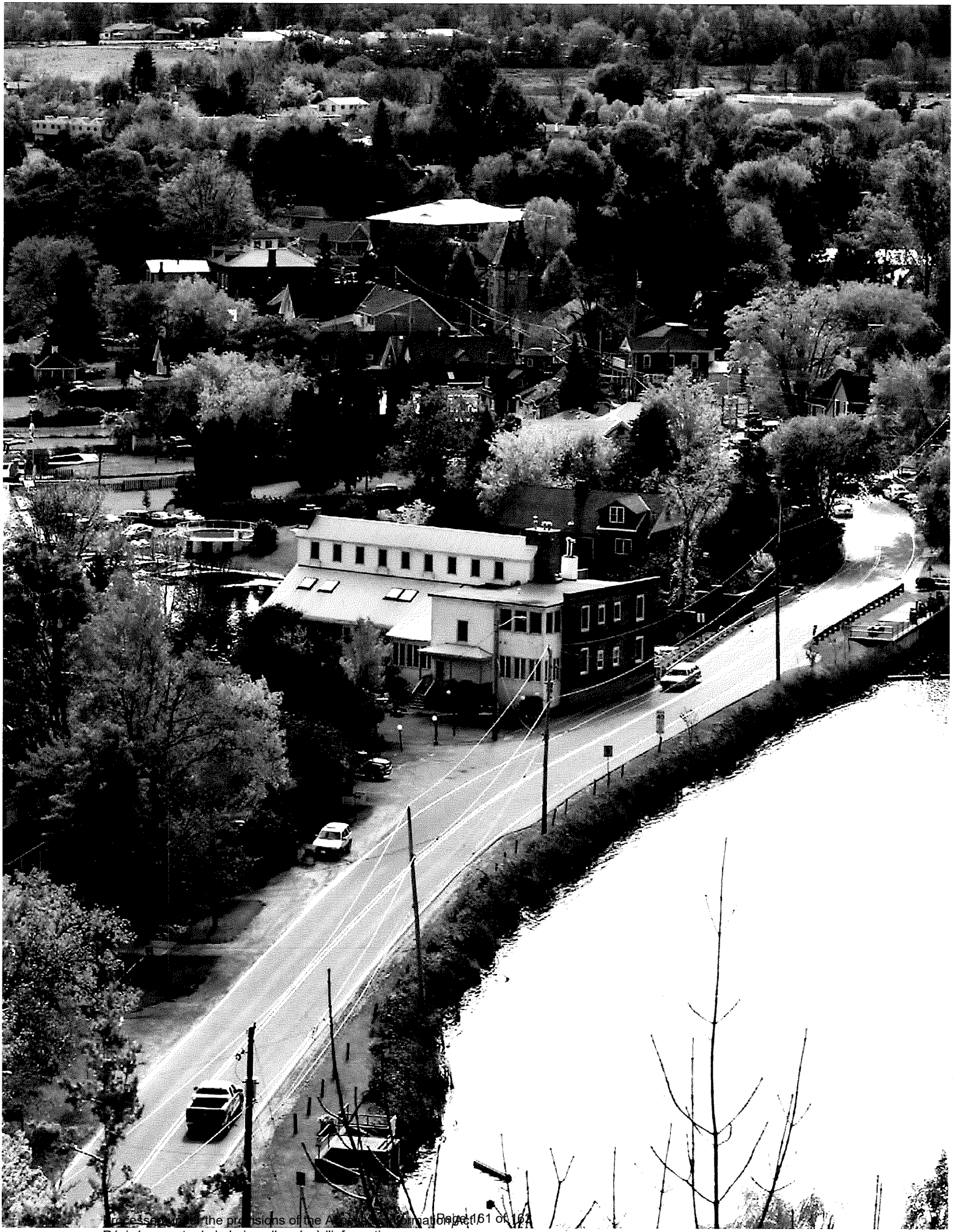
We know that rural municipalities serve millions of Canadians living and working in vast expanses of territory from coast to coast to coast. Despite this important role, many local governments in rural Canada face formidable challenges. They must provide adequate public infrastructure—roads, bridges, water and wastewater facilities—while tackling emerging challenges like adapting to climate change or attracting international investment and newcomers. They do all of this with limited revenues and financial capacity.

Rural municipal leaders have the experience and know-how to build stronger communities and a better Canada. And FCM's Rural Forum is leading national advocacy efforts to ensure that rural communities have the tools they need to attract businesses and serve residents.

At this moment when the federal government has committed to community-building as nation-building, rural municipalities must be full partners in plotting the path forward. This work must happen in collaboration with all orders of government.

It will take continuous dialogue to build Canada's future—with durable growth and more livable communities. FCM is committed to this dialogue, because rural communities are at the heart of building a better future for all Canadians.

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